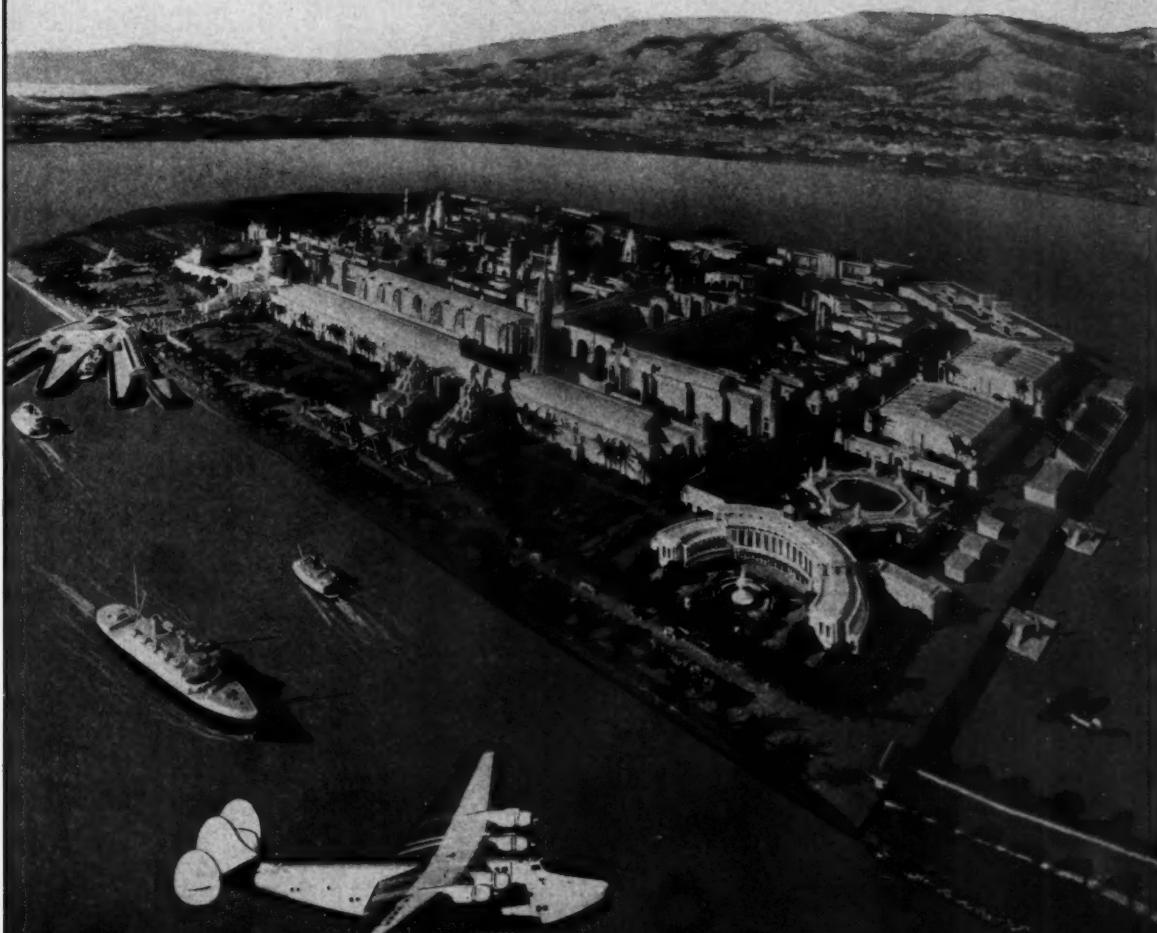


The NATIONAL UNDERWRITER

THE Golden Gate INTERNATIONAL EXPOSITION

ON NEWLY CREATED TREASURE ISLAND IN SAN FRANCISCO BAY.

The "Pageant of the Pacific" Presents a World in Miniature.



Firemen's Insurance Company of Newark, N. J.
The Girard Fire & Marine Insurance Company
National-Ben Franklin Fire Insurance Company
The Concordia Fire Insurance Co. of Milwaukee
Milwaukee Mechanics' Insurance Company
Pittsburgh Underwriters • Keystone Underwriters
The Metropolitan Casualty Insurance Co. of N. Y.
Commercial Casualty Insurance Company

Western Department
844 Rush St.
Chicago, Illinois

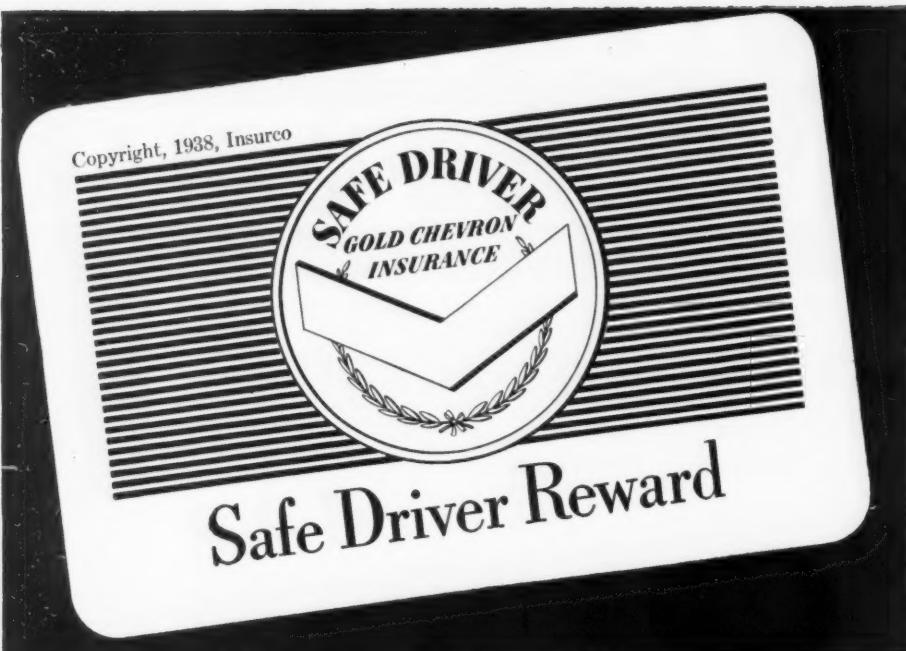
Canadian Dept.
461 Bay St.
Toronto, Canada

HOME OFFICE
10 PARK PLACE
NEWARK, NEW JERSEY

Southwestern Dept.
912 Commerce St.
Dallas, Texas

Pacific Department
220 Bush St.
San Francisco, Calif.





This Gold Chevron Reward Card is given to each reward winner in recognition of his consideration for the lives and property of others.



G. O. Lynch, reward winner of Los Angeles, Calif., says: "When I buy insurance I look for sound protection at reasonable cost. My Safe Driver Policy gives me both. Now it really *pays* to drive safely."



Benjamin Savignac, winner of St. Louis, Mo., says: "Never had an accident with my car in sixteen years. Now, under the Safe Driver Reward Plan, I'm cashing in on my careful driving. I'm all for it."



Mrs. J. S. Cafiero, Safe Driver reward winner of Savannah, Ga., says: "I am going to urge my friends to buy a Safe Driver Policy which pays Cash Rewards to those with twelve-month no-accident driving records."



W. S. McEachern, lawyer reward winner, says: "I cannot speak too highly of the work toward greater highway safety which my agent, through the Safe Driver Reward Plan, is helping to further."



Mrs. E. Larson, reward winner, says: "As a woman driver, I am proud of the Safe Driver Card I have received from my insurance agent. It is something everyone will appreciate getting. My Cash Reward comes in handy."



Harry A. Spilker, manufacturer, says: "Never an accident for twenty-five years. This is my first reward for careful driving. I am very gratified and think the plan is a splendid idea to promote safety."

- Payment of \$5,600,000 to 950,000 Safe Drivers under the Safe Driver Reward Plan is now under way.

This means 950,000 pleased clients . . . talking to their friends and neighbors . . . interesting thousands of prospects in Safe Driver Insurance through that always powerful form of advertising—"word of mouth" endorsement.

Advertising facts important to agents are contained in a special bulletin now being sent to all agents of Bureau Companies in Safe Driver Reward States. This bulletin carries not only reproductions of the companies' advertisements, but copy for advertisements which agents can use in their own community. Mats for such advertisements for agents are being provided free.



During April and May, five full-page, Gold and Black advertisements will carry this vital message to the vast national audience of the following magazines: SATURDAY EVENING POST, COLLIER'S, LIFE, TIME and NEWSWEEK.

Copyright, 1939, Insurco

The Safe Driver Reward Plan is Offered by the Following Stock Casualty Insurance Companies:

Aetna Casualty and Surety Company
Aetna Life Insurance Company
American Surety Company
Bankers Indemnity Insurance Company
Century Indemnity Company
Columbia Casualty Company
Eagle Indemnity Company
Fidelity and Casualty Company

Fireman's Fund Indemnity Company
Glens Falls Indemnity Company
Globe Indemnity Company
Great American Indemnity Company
Hartford Accident and Indemnity Company
London Guarantee and Accident Co., Ltd.
London & Lancashire Indemnity Company
Maryland Casualty Company

Massachusetts Bonding and Insurance Company
New Amsterdam Casualty Company
New York Casualty Company
Occidental Indemnity Company
Ocean Accident and Guarantee Corp., Ltd.
Phoenix Indemnity Company
Royal Indemnity Company

Standard Accident Insurance Company
Sun Indemnity Company
Travelers Indemnity Company
Travelers Insurance Company
United States Casualty Company
United States Fidelity and Guaranty Co.
Zurich General Accident and Liability Insurance Co., Ltd.

So I'm a **TOUGH** Prospect



Why are so many insurance agents "women-haters"? Do automobile salesmen, architects, or furniture dealers overlook women when it comes to making sales? *Absolutely no!* Women hold the purse strings for the home — buy practically everything that goes into it. They're good-paying prospects for all it takes to make a happy home — excellent prospects for insurance.

What women want

Thousands of women — seeing Employers' Group national advertising—send for our booklet "Insurance for the Home". They seek complete information on all policies; on the value of agency service; on all phases of insurance.



This is the way they buy insurance. Women welcome advice. They give time to the agent. They keep accurate inventories and have complete analyses made of their needs. And they buy, not only the usual fire and furniture policies, but also burglary, liability, comprehensive, personal floater, and all the other household coverages that Employers' Group companies conveniently give in one complete home protection plan.

Are you getting your share of this business?

If you want to increase your sales, write for a free copy of the current issue of our magazine, "The Employers' Pioneer". It's filled with sales-producing ideas—shows how to capitalize on the Employers' Group national advertising that reaches 1,500,000 prospects every month. Write to The Publicity Dept.

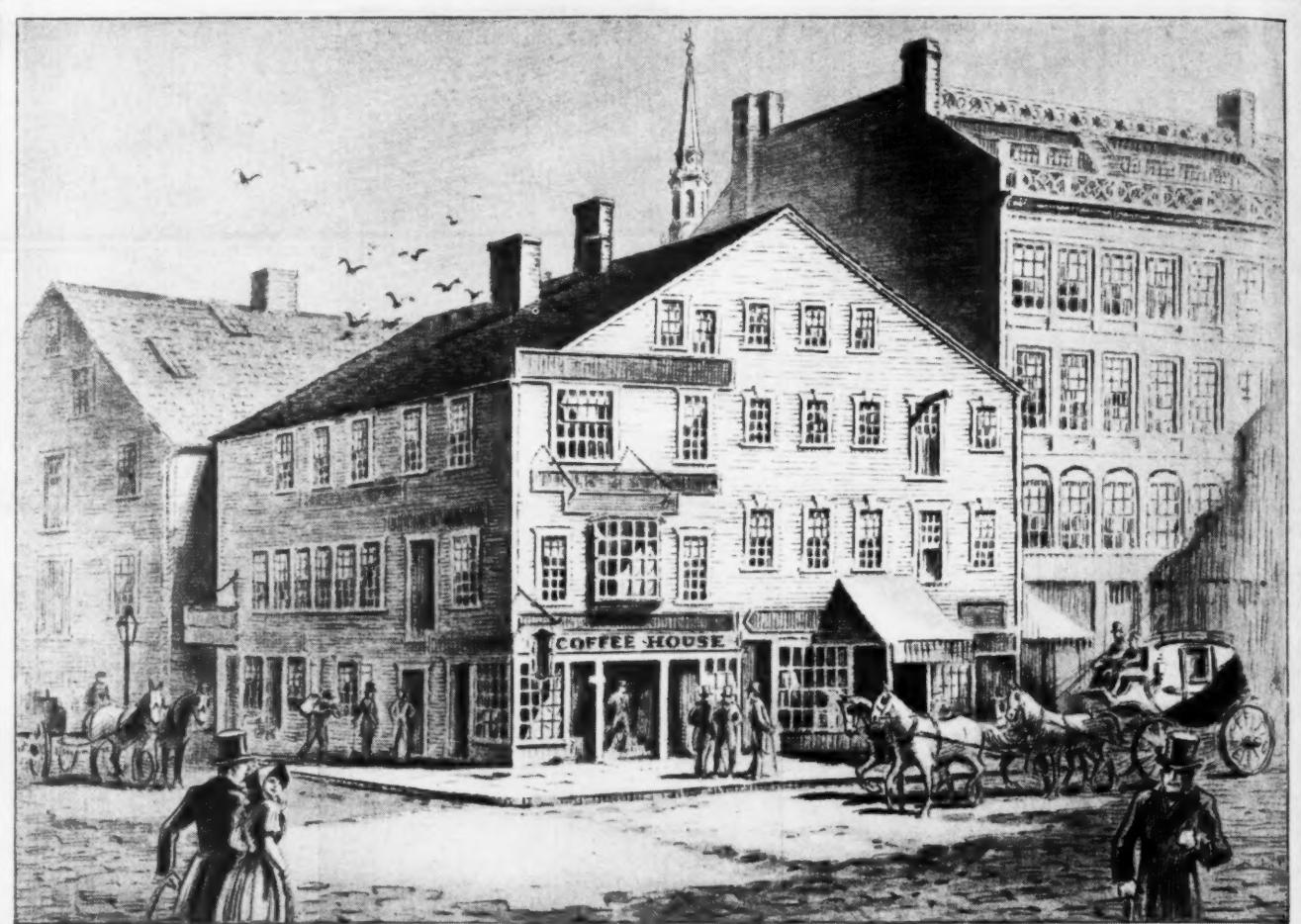


The EMPLOYERS' GROUP

110 MILK STREET, BOSTON, MASSACHUSETTS



*"The Old
Coffee House"*



THE PROVIDENCE WASHINGTON INSURANCE COMPANY HAD ITS INCEPTION HERE ON JANUARY 5, 1799

AT the close of the eighteenth century, the port of Providence was making a fair bid for the major share of the world commerce of the colonies. Larger and faster ships shortened the time required for the long voyages. Vessels from all nations loaded and discharged their cargoes at the busy wharves, but the locally owned ships were predominant.

The venturesome nature of the business placed such a hazard upon the investment in ships and cargoes that, to safeguard the owners against losses from the ever-present dangers of war, piracy and shipwreck, a need for some form of dependable insurance was recognized. Many risks had been written by private underwriters who gathered in the Old Coffee House on Market Square between the years of 1790 and 1800; John Mason, being one of the most prominent, opened his office in 1794.

The inadequacy of private insurance, however, was soon apparent and on January 5, 1799, the Providence Insurance Company, with a capital of \$150,000, was organized with John Mason, President.

The offices of the Company were located in the Old Coffee House, long since demolished. This was the logical place to center the business, for it was at this inn, and others like it,

that the trade news of the day was discussed. Merchants met there to make their transactions, and it was mainly through these meetings that world news was spread.

One of the first policies issued was for account of

"Brown & Ives for Christopher Bentley \$1,400 on his adventure on the ship Ann & Hope from Providence to and from Canton (China) and back to Providence, specie out and goods back."

January 16, 1799

Written at 22½%"

The Washington Insurance Company had its first meeting on January 10, 1800, elected Richard Jackson, Jr., President. The company's name was a measure of tribute to the memory of George Washington.

From these two old New England Insurance Companies, the Providence Washington takes its corporate name.

In 1803 the Washington Insurance Company appointed agents in New London, Conn., thus inaugurating the agency system so widely established today. The nationwide fair and friendly treatment accorded Providence Washington agents by the Company confirms its position as a true friend of agents.

These Companies write the following classes of Insurance FIRE—TORNADO—OCEAN and INLAND MARINE and their allied lines AUTOMOBILE—FIRE, THEFT and COLLISION

Providence Washington Insurance Company

OF PROVIDENCE, RHODE ISLAND

Incorporated 1799 • Capital \$3,000,000.00

Anchor Insurance Company

Incorporated 1928 • PROVIDENCE, RHODE ISLAND • Capital \$1,000,000.00



WEEKLY
NEWSPAPER
OF
INSURANCE

The NATIONAL UNDERWRITER

Forty-third Year—No. 13

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, MARCH 30, 1939

\$4.00 Per Year, 20 Cents a Copy

Boyle Clark Calls Bar Leaders "Stuffed Shirts"

Spearhead of Missouri War Against Adjusters Sounds Tocsin in Birmingham

BIRMINGHAM, ALA.—A biting attack on the American Bar Association for its refusal to lead the fight against insurance adjusters and others accused of the unlawful practice of law was made by Boyle G. Clark, former president of the Missouri Bar Association, in an address before the Birmingham Bar Association. He termed leaders of the association a "parade of stuffed shirts" and "great gods of the legal profession."

This was the second time in two years Clark has addressed the Birmingham bar, which is in the midst of a bitter court battle to restrain insurance adjusters from carrying on their profession. Judge Hugh A. Locke, president of the Birmingham bar, in introducing Clark said that lawyers in the past had tended to everybody else's business but their own and that it was now time for them to look after their own welfare. He promised a "fight to the finish" against adjusters.

"The American Bar Association as an organization has done more in recent years to thwart professional progress in the field of ethics and unauthorized practice of law than any other," Clark declared.

Clark Missouri Spearhead

It was Clark that headed the movement in Missouri to get for lawyers the business now handled by lay adjusters and it was Clark against whom several mutual casualty companies brought the famous action in behalf of freedom of action for adjusters.

Clark referred to that suit. The court, he said, "with fine discrimination and sound regard for the public interest" found for the bar association. He said that this case was proceeding normally to a deliberate hearing before the state supreme court and possibly the U. S. Supreme Court, when the American Bar Association appointed a committee to study the question but with the object in view of renouncing the position of the state bar association.

Dislikes the Appointees

"In an attempt to secure this result," continued Clark, "the American Bar Association constituted one-half of the ten man committee from the insurance field which opposed the bar. Among the insurance representatives they procured the appointment of the director of the Liberty Mutual fight, a representative of the National Association Independent Insurance Adjusters who have been condemned in practically every state of the Union, and who, I believe, will be con-

(CONTINUED ON PAGE 11)

"Duke" Potter Makes Hit in Cleveland

Delivers Stirring Stock Company Message at Large, Distinguished Meet

CLEVELAND—Nearly 500 agents, company men and special guests attended the stock fire and casualty insurance rally here that was jointly sponsored by the Ohio Fire Underwriters Association, Insurance Board of Cleveland and the Casualty Underwriters Association of Cleveland.

Donald E. Herren, president of the Insurance Board of Cleveland, presided. He introduced officials of the sponsoring associations and company executives. Those taking a bow included Charles F. Thomas, manager Western Underwriters Association; E. A. Henne, vice-president America Fore, Chicago; C. H. Smith, manager western department Hartford Fire; E. D. Lawson, western manager Fireman's Fund; S. M. Buck, vice-president western department Great American; E. G. Frazier, vice-president Springfield F. & M., Chicago; E. J. Savage, superintendent of agencies Zurich; George W. Carter, president Detroit Insurance Agency; and L. C. Jones, president Ohio Association of Insurance Agents.

Wellington "Duke" Potter, noted Rochester, N. Y., agent and speaker, more than lived up to his reputation in a dynamic address on "Intestinal Fortitude" in which he presented successful methods of selling stock fire and casualty insurance against any competition. Despite the fact that the meeting lasted until after 3:30 p. m., an hour-and-a-half longer than the usual noon-day meet, scarcely a person left the room. Mr. Potter peeled off coat and vest as he warmed up to the subject.

Analyzes Mutual Advertising

Mr. Potter, former company man as well as agent and association worker, pointed to the obstacles which confront the agent of today and must be overcome. There is the office girl, the polite secretary, the man who plays stock against mutual and the hard-boiled executive who has a reputation for being hard to reach. He must know how to handle all types of people in the daily work and be able to meet various objections as they are brought up. Then, too, the stock insurance man of today faces the more aggressive advertising campaigns on the part of mutuals and the state fund, the latter of which is a misnomer and not backed by the state at all. He faces a brand of mutual insurance advertising and publicity which is misleading to the public and detrimental to the institution of insurance generally, according to Mr. Potter.

Mr. Potter employed a large panel depicting different copy used by the mutuals, which he charged is misleading. Included in the array was copy which tried to tell the public that the mutual had no cost to consider; the type of copy which suggested the company had the top rating; the type of copy that indicated a mutual fire or casualty company was in the same category as a mu-

(CONTINUED ON PAGE 11)

National Agents Are Center of Attraction

Mid-year Convention Will Be Held in Hollywood, Fla., Next Week

Next week the center of fire and casualty activities will be at Hollywood, Fla., where the National Association of Insurance Agents will hold its mid-year meeting. While the mid-year convention does not take on the importance of the annual one, yet very often lines of thought and procedure are developed that are highly significant. The Florida association will hold its annual meeting next Tuesday, having two sessions, one in the morning and the other in the afternoon with O. M. Stallings of Tampa, president, in charge. Florida has an executive secretary, A. C. Eisler, who will give his annual report as will L. P. McCord of Jacksonville report as national councillor.

Menn to Give Report

The executive committee of the National association will start its session Sunday. Monday and Tuesday will be preconvention days filled with activities of various sorts, group meetings, regional conferences, etc. The convention proper will start Wednesday, when W. H. Menn of Los Angeles, the president, will give the report of the administration. The convention will last through Thursday.

It is expected that the attendance will be large, especially from the southern section. A number of northerners and those from the central west are motorizing down and making it a vacation. The advance guard will be numerous.

Ohio Secession to Be Topic

The proposed revision of the constitution and by-laws will be a major question. The secession of the Ohio Association of Insurance Agents naturally will occupy some attention. The litigation in Virginia and Louisiana involving resident agency laws will be a paramount issue.

It is expected that southern executives will be well represented at the meeting. Sidney O. Smith of Gainesville, Ga., chairman of the executive committee, coming from the south and being a popular man personally, will be honored in a number of ways.

A number of the conventioners will leave Miami early the evening of April 7 and return the morning of April 10, going on the S. S. Florida to Havana. There will be sightseeing tours in the city.

Fischer Named for Long Term

DES MOINES.—Governor Wilson has sent the name of Charles R. Fischer to the Iowa senate for a four-year term as insurance commissioner, beginning July 1. He was named for the short term last month.

Mr. Fischer has returned from Arizona, where he completed his vacation interrupted by his appointment in February. He is expected to make some changes in the department shortly.

Drastic Auto Rules in Illinois, Equity Rating Prohibited

Uniform Territories, Deviations Called for in Palmer's Proposal

Elimination of equity rating and a requirement that companies deviating from bureau rates must show a uniform percentage deviation on each classification and in each territory are prominent among the proposed automobile insurance rules sent to the companies by Ernest Palmer, Illinois director of insurance, last week. While the first draft is presented as a suggestion, there seems little reason to doubt that most of the rules will be put into effect within a short time. Mr. Palmer's letter requests companies to let him know if they do not approve any of the proposals and "it may be that hearings will be arranged for further consideration." The letter also contains a number of instructions for companies to follow in filing rates and forms.

Non-Bureau Companies

Except for the rule abolishing equity rating, most of the proposed regulations will strike at non-bureau companies, since they will apparently be tied to bureau classifications and precedent. It is likely that there will be many objections to the equity rating rule. This practice, which consists of making special reduced rates on large fleet lines where competition develops, is used to a great extent.

Most of the proposed rules were discussed recently at a meeting attended by Mr. Palmer, a number of the department officials and representatives of most of the non-conference automobile companies. It is believed that H. A. Miller, special deputy, had much to do with drafting the proposed regulations.

Extra Charge for Valued Form

Other important items in the proposed regulations are abolition of a rate credit for the monthly reduction clause, requirement of at least a 10 percent increase in rate for the valued form, establishment of uniform classifications and territories on all cars, abolition of the distinction between W, X and Y cars in private passenger rating and designation of the National Bureau of Casualty & Surety Underwriters, National Automobile Underwriters Association and American Mutual Alliance as statistical agents for all carriers, whether members or not.

The distinction between W, X and Y cars is gradually being abolished throughout the country and in a large number of states there is now only one private passenger rate in each territory. In Chicago, Chicago suburban, East Chicago and East St. Louis territories,

(CONTINUED ON PAGE 10)

J. G. Emery Succeeds Gauss in Michigan

New Commissioner Is Insurance Man of Grand Rapids, Ex-Legion Chief

John G. Emery, local insurance agent and real estate man of Grand Rapids and a former national commander of the American Legion, has been appointed as the new Michigan commissioner. He takes the place of C. E. Gauss, who had been holding over from the previous Democratic administration under the program of the late Governor Fitzgerald to appoint his new Republican cabinet in deliberate fashion. When Fitzgerald died and L. B. Dickinson became governor it became known that a new insurance commissioner would be appointed in short order.

Mr. Emery has been considered as one of the leading possibilities for the appointment for some time. Mr. Emery was born in Grand Rapids in 1881. He developed a substantial general agency there before the war. He had distinguished war service and was elected national vice-commander of the American Legion in 1920 and succeeded to the top position when the national commander died in an accident the next spring. Mr. Emery has had an agency for Glens Falls and has been a solicitor for the Jeffers-Hake Company insurance agency of Grand Rapids.

The change becomes effective April 1. Mr. Gauss is flying to Miami on that day with a number of Michigan agents to attend the mid-year meeting of the National Association of Insurance Agents in Hollywood, Fla.

Exempt of Income, Security Taxes

SAN FRANCISCO—The Fire Underwriters Association of the Pacific has been advised that it is exempt from federal social security or income taxes, following a previous decision from the commissioner of internal revenue at Washington that it came under the tax provisions. The appeal was presented by Attorney W. H. Levitt. The new ruling also provides that individuals or organizations making contributions to the association may properly deduct such from their income taxes.

Retires from Office



C. E. GAUSS

C. E. Gauss is retiring from office as Michigan commissioner Saturday, being succeeded by John G. Emery of Grand Rapids. Mr. Gauss served as Michigan commissioner in 1933-34 and then after an interval went back when Frank Murphy was governor.

Change in Minneapolis General Agency



THOMAS G. LINNELL

Paul A. Enck has sold his interests in the well known Minneapolis general agency of Enck & Linnell. He has resigned from that firm which now operates as Thomas G. Linnell, Inc. The general agency continues to represent Michigan F. & M., New England Fire, Paul Revere Fire, Piedmont Fire, Delaware Underwriters department of Westchester Fire, Ohio Casualty and General of Paris for reinsurance.

Mr. Linnell is the third generation of his family in the fire insurance business in the middle west. His grandfather, L. T. Linnell operated a general insurance agency in Cobden, Ill., for many years and it was in this agency that Mr. Linnell's father, L. M. Linnell, started to learn the business. L. M. Linnell was an official of the old Great Lakes Fire of Chicago, and was with Great American many years. T. G. Linnell intends to bring his son, Tommy, into the business with him this summer.

THIS WEEK IN INSURANCE

Proposed automobile insurance regulations in Illinois will abolish equity rating and the non-bureau companies closely to bureau procedure.

Page 3

Boyle Clark, spearhead of the lawyer-adjuster fight in Missouri, addresses meeting in Birmingham, Ala., where there is another hot fight on the same subject, and lambastes the American Bar Association.

Page 3

Much interest is being taken in the meeting of the **National Association of Insurance Agents** at Hollywood, Fla., next week.

Page 3

Wellington Potter of Rochester, N. Y., made a sensational hit in addressing a meeting of about 500 in Cleveland devoted to promoting the interest of the stock companies.

Page 3

Despite the fact that **Jackson Cochrane** has resigned as insurance commissioner of Colorado, the civil service commission of that state has removed him from office.

Page 5

Nominations are made for directors of the **United States Chamber of Commerce**.

Page 11

John G. Emery, local agent and real estate man of Grand Rapids, Mich., is appointed insurance commissioner of that state.

Page 4

Guy B. Park, former governor of Missouri, explains the part that he played in connection with the **Missouri fire insurance rate compromise agreement** of 1938.

Page 5

Table is given showing the relative rank of companies as to fire and tornado business in **Cook county, Ill.**

Page 4

Company Ranking As to Premiums in Cook County

A table is given showing the relative rank of leading companies as to their fire, tornado and sprinkler leakage premiums in Cook county, Ill. (Chicago). The figures do not include 1938, as they have not yet been compiled. The table is of interest in view of the acquisition cost issue now before the fraternity in Chicago. The table is:

	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Home	4	4	2	1	2	1	1	1	1	1	1
Hartford	2	1	1	2	1	3	2	4	3	3	3
Continental	9	10	17	15	12	9	7	3	2	3	3
North America	1	2	3	3	2	3	4	3	4	5	5
Aetna	3	3	4	4	4	4	4	5	5	6	6
National	8	6	6	7	5	5	6	6	6	6	6
Spfd. F. & M.	5	5	5	5	6	6	7	10	7	8	8
L. & L. G.	13	14	13	10	8	7	10	13	7	8	8
Royal	6	7	7	6	8	9	8	9	8	9	9
Fid.-Phenix	12	12	12	12	9	10	8	9	10	10	10
Girard F. & M.	28	20	14	18	17	20	15	10	11	11	11
Milw. Mech.	24	22	11	14	13	18	23	14	16	13	13
Standard, N. Y.	29	29	29	27	29	24	16	12	12	14	14
American, N. J.	10	8	9	11	13	11	11	19	19	15	15
Natl. Liberty	16	13	19	19	20	21	19	16	13	15	15
Fireman's Fund	7	9	8	8	15	26	18	19	15	16	16
Glens Falls	14	11	10	11	10	17	21	24	17	17	17
North B. & Me.	23	26	24	28	25	11	13	24	26	18	18
Merchants, N. Y.	19	18	15	13	14	22	24	21	18	19	19
Automobile	25	24	21	23	23	15	22	22	25	20	20
Pearl	..	..	..	..	..	30	30	23	23	21	21
Orient	17	16	26	22	24	23	20	18	17	22	22
Dubuque, F. & M.	21	17	20	18	22	28	26	26	23	23	23
Connecticut	11	15	18	17	18	16	26	30	29	24	24
Pennsylvania	22	23	22	25	25	25	28	29	25	25	25
London & Lanc.	15	21	25	21	19	14	12	15	20	26	26
Great Amer.	18	19	16	20	16	12	17	14	17	14	27
Travelers Fire	27	28	28	26	28	27	27	27	28	28	28
Phoenix Ct.	20	25	23	24	26	29	25	28	30	29	29
United States	26	27	27	29	27	19	17	25	21	30	30

Wm. Fingerhuth 40 Year Man

William Fingerhuth, assistant secretary of National Union Fire, has completed 40 years in the fire insurance business. In 1899 he entered the employ of Rochester German at Rochester, N. Y., remaining with the company 17 years and advancing through the various departments. In 1916, he became associated with National Fire at Hartford. In 1926, Mr. Fingerhuth joined National Union as special agent in western New York. Subsequently, he was transferred to the home office and elected assistant secretary.

Prominent Arkansas General Agent Is Dead



J. GILBERT LEIGH

LITTLE ROCK—J. Gilbert Leigh, president of the prominent 60-year old agency of L. B. Leigh & Co. here, died Wednesday morning at the age of 55 following an illness of four weeks. His son, J. Gilbert Leigh, Jr., who is connected with Home of New York at the head office, was called home several days ago because of his father's critical condition.

J. Gilbert Leigh was born in Dallas but his family moved to Little Rock in 1897, after graduating from high school, he went with L. B. Leigh & Co. Four years later he became a partner, and in 1933 upon the death of L. B. Leigh, the founder, J. G. Leigh became the senior partner. W. W. Leigh, brother of J. G., has been junior member of the firm.

J. G. Leigh was chairman of the advisory committee of the Arkansas Fire Prevention Bureau for 19 years. He was one of the first presidents of the American Association of Insurance General Agents and has been one of the principal factors in that organization year in and year out. He was president of the Commonwealth Federal Savings & Loan Association and chairman of the Federal Home Loan Bank of Little Rock. He had served as president of the Little Rock chamber of commerce and as vice-chairman of the Arkansas Centennial Commission.

May Name New Millers National President April 19

The next meeting of the board of directors of Millers National will be held in Chicago April 19. At that time, it is expected a new president will be elected to fill the vacancy caused by the death of H. M. Giles.

Pa. Premiums \$55,273,504 in '38

Total net premiums written in Pennsylvania in 1938 by all companies in the fire classification amounted to \$55,273,504 as compared with \$62,273,996 the previous year, according to a tabulation prepared by the United States Review. Total net losses paid were \$19,279,223.

Premiums of the stock companies amounted to \$46,873,871 and losses \$16,562,672. Mutuals had premiums \$8,399,632 and losses \$2,716,551.

Concession to U. S. Shippers

NEW YORK—As a concession to United States shippers marine underwriters cut by one-eighth percent war risk rates that became effective Monday on shipments of merchandise on American vessels sailing to or from the far east and Australasia.

Cochrane 'Removed' Despite Resignation

Colorado Civil Service Commissioners Take Positive Action

DENVER — In a most unusual proceeding the civil service commission has entered a written order for the removal from office of Commissioner Jackson Cochrane. This action was taken despite the fact that Cochrane resigned March 14, effective April 12 and that his resignation was accepted at that time by the commission.

The order held that Cochrane was guilty of neglect and inefficiency and "wholly wanting in that degree of character and executive ability properly to conduct his said office."

The week failed to bring any tangible progress toward unraveling the complicated political muddle which followed Cochrane's resignation. Neither Governor Carr nor Attorney-General Rogers, both of whom claim the right to appoint the new commissioner, have made any move.

The civil service commission explained that it had intended to enter the removal order March 14. While it was considering the matter, Cochrane sent over his resignation.

American Life Situation

The findings held that Cochrane was guilty of neglect "in that he wholly failed to exercise and efficiently discharge" the duties of commissioner, "relating to the examination of domestic insurance companies, and particularly as relating to the examination of the American Life Insurance Company."

"The commission . . . holds that any proper examination in the affairs of said company would have disclosed the illegal acts of the auditors of said company and would have prevented depreciation of its assets and the looting of the assets and estate."

"The commission is further of the opinion that Cochrane was neglectful and inefficient in all of his acts and transactions relating to the affairs of American Life."

Prompt action "of any efficient character" by Cochrane, the findings declared, "would have saved said company and prevented this insolvency, receivership and dissolution, as well as the losses that occurred to the stockholders thereof."

Relations with Chief Clerk

In connection with the charges that Cochrane had failed to assign duties to Chief Clerk W. H. Kelly although he had been on the payroll for many years, the opinion said the commissioner had "wholly failed, neglected and refused" to make proper assignment of such duties. The findings said further that Cochrane's refusal to recognize Kelly as chief clerk was a "loss to the state in that Cochrane has authorized payment to said Kelly from the funds of the state without discharge of any duties whatsoever."

The opinion held further that "personal relationships existing between said Cochrane and Kelly were of such an antagonistic nature as to be detrimental to the best interests" of the state and that "said antagonism was due in a large part to the actions and attitude of said Cochrane."

The Civil Service Commissioners said that the removal order would not affect Cochrane's right to retirement pay. Cochrane has petitioned the State Employees Retirement Fund for \$125 per month on the grounds of physical disability. Raymond J. Heath, secretary of the retirement fund board, said this week that Cochrane has two courses open to get the pension. Either he must prove that he is mentally or physically incapacitated or he must pay into the

Vernor Finds Lesson in 2 School Losses

R. E. Vernor, manager of the fire prevention department of the Western Actuarial Bureau, states that two recent schoolhouse losses again emphasize the desirability of closer scrutiny by company examiners of final bulletins published by the state fire prevention associations following town inspections.

One of these losses was at Pipestone, Minn. Mr. Vernor states that this school was inspected two years ago by the Minnesota State Fire Prevention Association and a number of important recommendations for improvement were made. Most of these were never reported as corrected.

The news stories stated that the state fire marshal's insistence upon adequate exits probably saved the lives of 1,200 pupils at Pipestone. Mr. Vernor states that the final bulletin of the Minnesota Fire Prevention Association reads:

"Recommend installing two fire escapes, one from junior and one from senior assembly rooms. Exit is very poor for number of pupils. Also suggest some method of escape from class on third between junior and senior assembly rooms be installed. All exit doors should be checked and made to open more readily. Main entrance bad."

The other school that burned was the junior high at Independence, Mo. The most recent final bulletin of the Missouri State Fire Prevention Association on Independence, according to Mr. Vernor, showed 51 hazards still uncorrected in that school.

"Probably some future losses can be avoided," Mr. Vernor concludes, "if companies on these inspected schoolhouse lines will insist upon correction of the serious hazards reported to them."

fund for two more years. Cochrane served for 18 years. He automatically becomes entitled to the benefits after paying 20 years. He is entitled to the same benefits for physical or mental incapacity after 15½ years of service.

Status of Resignation

It was agreed in statehouse circles that the removal order issued by the Civil Service Commission would not actually affect the status of Cochrane's resignation, which means that any official action taken by the insurance department between now and April 12 will have to have Cochrane's okay.

The bill to increase the commissioner's salary to \$5,000 a year and authorize his appointment of a \$2,400 a year actuary is said to be making satisfactory

Chairman of Boston Convention Committee

BOSTON—Louis H. Hoffmann, producer with the John C. Paige & Co., has been chosen as chairman of the general committee which will have charge of the annual convention of the National Association of Insurance Agents in Boston next September. Mr. Hoffmann made many friends for Boston when he attended the National association convention in Hot Springs last spring as representative of the Boston Board and again at the annual convention in St. Paul when he carried the invitation of the board for the agents to visit Boston.



L. H. Hoffmann

"Had I known when I was asked to approve it that the attorney general had not approved it I would never have agreed to it," Park was quoted as saying.

He is said to have related that May 18, 1935, a few hours after the agreement had been drawn up, John T. Barker of Kansas City, chief counsel for the state in the rate litigation, called upon him and assured him that it had been approved by McKittrick. Park said he then authorized R. E. O'Malley, insurance superintendent, to sign the agreement.

Holding agent's and broker's licenses, Mr. Hoffmann served as vice-president of the Brokers Association of Massachusetts and as clerk of the Service Men's Protective Association.

progress in the legislature, although it has not yet come up for a vote. It is believed that both Carr and Rogers may be holding up on their decision as to who will make the appointment until the fate of this measure is decided.

Representative Herman Kline, who originally sponsored the ouster move against Cochrane, announced that he would bring out a bill to place mutual benefit associations under the insurance department. These associations are now under the supervision of the state building and loan commissioner.

Miss Mabel Henika, former city clerk, has become manager of the Hackett Insurance Agency, West Allis, Wis., formerly operated by the late Mrs. Marie Hackett.

Former Missouri Governor Explains

Guy Park Claims That He Sought to Rescind Approval of Rate Compromise

KANSAS CITY—Former Governor Guy Park of Missouri, who approved the compromise of the fire insurance rate cases in 1935, was quoted here as saying that he did so only after it had been represented to him that Attorney-general McKittrick had sanctioned the settlement with the companies. Later when he discovered that McKittrick had not approved the agreement he attempted to withdraw his own approval only to learn that the compromise had already been effected, Park said.

"Had I known when I was asked to approve it that the attorney general had not approved it I would never have agreed to it," Park was quoted as saying.

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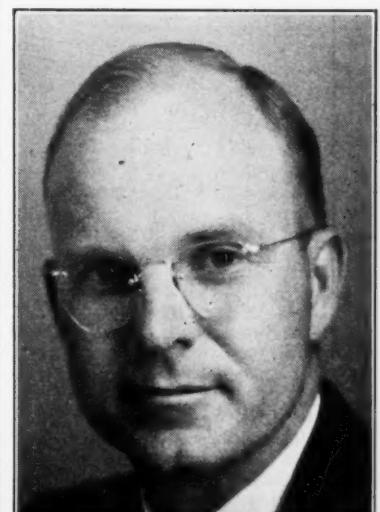
Two days later the governor returned to Jefferson City and learned that McKittrick had not approved the compromise. The governor said he telephoned O'Malley in St. Louis, and Barker that he had withdrawn his approval. He asked then, he said, to get the agreement back which had already been signed. Barker told him, the former governor is quoted as saying, that it was too late, as the agreement had already been signed in Chicago by the late Charles R. Street.

"I do not say that the matter was intentionally misrepresented to me," Park said, "because Mr. Barker may have been misinformed. But in any event I was misled. I would never have approved it if I had known that the attorney-general had not given his approval."

So far as the terms of the compromise are concerned, Park said he is satisfied that they represented the best settlement and avoided interminable litigation. It had been beneficial to everyone who has obtained a fire insurance policy since it went into effect, he added.

McKittrick was instructed to appear before the federal grand jury here this

FLORIDA AGENTS ACTIVE IN MID-YEAR MEETING



O. MITCHELL STALLINGS, Tampa Florida President



PAYNE H. MIDYETTE, Tallahassee National Executive Committeeman



L. P. McCORD, Jacksonville National Councillor

week to testify concerning the Missouri rate case compromise. The jury is attempting to trace to its final destination the \$448,325 which the fire companies gave to Mr. Street in 1935 and 1936 to meet certain "legal" expenses in connection with the settlement of the rate cases.

Carl S. Lawton, president of Lawton-Byrne-Bruner Agency, St. Louis, has returned from a Florida vacation. Upon his return to St. Louis he learned that he had been called as a witness in the federal investigation.

The mysterious disappearance of a suit case belonging to J. W. Rodger, executive manager of the Insurance Board of St. Louis, which contained some records for the federal grand jury has been solved. A Pullman porter in St. Louis placed the suitcase on the wrong car and when Mr. Rodger got off his train here the suitcase continued on toward the Pacific. Mr. Rodger was excused until a later day and promised that when he returns he will have the records.

POLICYHOLDERS SUIT PENDING

JEFFERSON CITY, MO.—Federal Judge Collet has taken under advisement legal questions raised in defense of a suit brought by policyholders to recover about \$8,000,000 of impounded premiums which went to the companies, agents and attorneys, under the terms of the O'Malley compromise of 1935.

The suit attacks the legality of the compromise provision that the policyholders were to receive only 20 percent of the \$10,000,000 of impounded premiums. James T. Blair, former Missouri Supreme Court judge, of counsel for the plaintiff, declared that Superintendent O'Malley had no right to represent the policyholders in the settlement. H. H. Berger of Kansas City, attorney for the companies, contended that the federal court phase of the litigation and the distribution of premiums had been finally determined by the federal court in Kansas City.

Windstorm Debris Coverage Authorized in East

NEW YORK—The Eastern Tornado Association has approved coverage on the expense of removing debris after a windstorm loss. This may be covered under a separate form or by an endorsement to the windstorm policy. Rate in either case is 1 percent, with a minimum annual premium of \$5 per policy. A \$25 deductible is prescribed.

Specific coverage on removal of debris in connection with fire insurance has been in force in New York for some time. Following the New England hurricane of last fall, many assured presented claims for debris removal under windstorm policies and much dissatisfaction developed when these claims were denied. The new windstorm form was presented as an answer to this demand.

The form and endorsement recites that the company shall be liable for expense necessary to remove debris from the described premises outside of buildings, when they are littered with debris caused directly by windstorm, cyclone, tornado or hail occurring during the term of the policy. The cost of repairs to sidewalks, lawns, driveways and curbing on the premises damaged by the debris is also covered up to 10 percent of the amount of debris insurance. When this coverage is written for cemeteries, it may be extended to include expense of repair to gravestones and monuments damaged by debris for which the cemetery may be responsible under perpetual care agreements.

At the meeting of the Ohio Stock Fire Speakers Association in Columbus, B. C. Curran, America Fore, gave a talk on fire prevention, which later will be delivered before high school students.

The San Francisco Blue Goose heard a talk on Central America by William Fisher.

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NEWS OF FIELD MEN

Philadelphia Joint Meeting Arranged

Through the cooperation of the local agents' associations in southeastern Pennsylvania the Underwriters Club of Philadelphia will hold a joint meeting of field men and agents at the Downtown Club in that city, April 17. H. K. Schaufler, assistant manager National Board, will speak on "Building Tomorrow's Premiums." Harry A. Marsh, president of the Underwriters Club, who represents the Mather & Co. general agency, has appointed a committee to make arrangements for the meeting. C. T. Monk of the Philadelphia local agents association is head of the agents committee.

D. L. Fischer Heads Iowa Fire Preventionists

DES MOINES—D. L. Fischer, Iowa and Nebraska agent Fidelity & Guaranty Fire, was elected president of the Iowa Fire Prevention association at its annual meeting here. He succeeds W. T. Shirley, New York Underwriters, who has been transferred to the Chicago office. J. R. Hoff, Boston and Old Colony, was named secretary to succeed J. R. Oakes, New Hampshire Fire, who goes to the home office. R. A. Nelson, Atlas, becomes vice-president. C. W. Borrett, Hanover, was reelected assistant secretary. The association will hold its first inspection at Sidney March 29.

At a farewell party attended by 62 friends and associates of Messrs. Shirley and Oakes, Mr. Borrett was toastmaster and short talks were made by F. E. Brake, J. H. Bunten and Mr. Hoff. L. A. White, Royal-L. & L. & G., and R. S. Ingham, Hartford, presented gifts to the two men.

Ohio Fire Preventionists to Observe 36th Anniversary

COLUMBUS—Plans are being discussed for commemorating next year the 36th anniversary of the Ohio Fire Prevention Association, organized April 14, 1904, and said to have been the first of its kind ever established. Among the charter members who are still active are B. T. Duffey, Royal-Liverpool; M. F. Grim, Phoenix, Conn.; R. T. Huggard, Great American, then with the Springfield; W. E. Jones, Security, Conn.; C. G. McCray, Rochester American, and C. O. Wood, Home.

Some charter members active in the present association include Fred G. Bell, son of George H. Bell, National; Roger Grim, son of M. F. Grim; W. P. Jones, son of W. E. Jones; Howard A. Evans, son of Aaron N. Evans, Equitable F. & M., now deceased.

Paulson Named As Head at Dakota Blue Goose

ABERDEEN, S. D.—The Dakota Blue Goose at its annual meeting here elected H. A. Paulson, North America, to succeed Walter H. Mashek, St. Paul Fire & Marine, as most loyal grand gander. R. W. Hayward, National of Hartford, is supervisor; R. F. Thompson, Hartford Fire, wielder; I. J. Peet, Fire Underwriters Inspection Bureau, keeper; H. L. Stanley, Queen City Fire, custodian; W. C. Foster, Western Adjunct, guardian.

R. E. Wiley, Sioux Falls, president South Dakota State Bar Association, was toastmaster at the banquet which was followed by a dance. Speakers included L. L. Law, London Assurance, Minneapolis, deputy most loyal grand gander. Mr. Mashek was chosen delegate to the grand nest meeting in Cin-

cinnati, and was presented a past most loyal gander button.

Eight candidates were initiated: Martin E. Cogley, Reagan General Agency, Sioux Falls; G. L. Ingobretson, Western Adjustment, Sioux Falls; George D. Merrill, Hanover, Fargo; Robert M. Swanson, America Fore, Fargo; D. F. Mueller, Underwriters Adjusting, Aberdeen; Oscar E. Erickson, commissioner of insurance, Bismarck; O. R. Vold and C. J. Meyers of the insurance department, Bismarck.

It was decided to resume the meeting at Alexandria this summer. The Dakota pond adopted a resolution to incorporate.

Honor Bulau and Krieger

COLUMBUS—Twenty-one members of the Ohio field force of the Home gave a dinner here in honor of A. E. Bulau, associate state agent, who has been made state agent at Indianapolis, and W. M. Krieger, special agent, who has been appointed assistant to the secretary in the home office. Rolf Rosenlund was toastmaster. Mr. Bulau and Mr. Krieger were presented traveling bags.

M. F. Johnson, state agent Rhode Island, has been appointed district chairman of the Inter-Chamber Fire Waste Contest committee to succeed Mr. Bulau.

Syracuse Club Is Active

Regular Saturday noon meetings of the Syracuse, N. Y., Field Club during the past months have been especially interesting under the leadership of President C. A. Collins.

Recently E. E. McNally, sales manager L. C. Smith & Corona Typewriter Company of Syracuse, spoke on "Sales Methods in Business." On April 9, a movie, "The First Hundred Years of Baseball" will be shown.

The Syracuse Field Club is interested in the newly-organized insurance library located at the offices of the New York Rating Organization in Syracuse. At next Saturday's meeting a review of recent books added to the library will be made by Howard Brown, chairman of the library committee.

Adds to N. Y. Field Staff

H. B. Burchell has been added to the field staff of North British & Mercantile in western New York. He will assist State Agent P. M. Taylor with headquarters in Syracuse. Mr. Burchell has been at the head office as an examiner for the territory in which he will now travel.

Williams Enters Field Work

Lloyd Williams, who has been chief underwriter in the Los Angeles office of the Commercial Union group, has been appointed special agent and will travel the Long Beach, Santa Monica bay, San Fernando valley and Santa Barbara territory.

Jefferson with Yorkshire in Va.

G. F. Jefferson has joined Yorkshire, and Seaboard F. & M. as Virginia state agent with headquarters in the Richmond Trust building, Richmond. He takes the place of E. L. Hearne, who has been transferred to North Carolina as state agent. Mr. Jefferson has had experience with the Virginia Rating & Inspection Bureau and then was in the field for several companies and a general agency.

H. F. Sweeney Now in Field

Harold F. Sweeney of Indianapolis, manager of the central department of Gulf of Dallas, is now devoting most of his attention to outside field activities. He is now introducing L. K. Giffin, newly appointed Indiana special agent, to agents in that territory and then he

is personally looking after the Ohio field. V. H. Hagemann, assistant secretary from the head office, intends to remain in Indianapolis for several months taking charge of the underwriting and serving as office manager. When Mr. Sweeney gets the field work well in hand, Mr. Hagemann will return to Dallas.

Sheppard Heads South Jersey Club

R. A. Sheppard, Continental, was elected president of the South Jersey Field Club at the annual meeting in Camden. R. R. Thompson, North British & Mercantile, is vice-president; R. W. Alliger, North America, secretary; A. M. Mills, Camden, treasurer; Samuel Gray, New York Underwriters, chairman executive committee.

Carter C. Williams Resigns

Carter C. Williams of Kansas City, who has been assisting Special Agent George R. Jones of Pacific National Fire in field work in Kansas and Missouri, has resigned. He had been with Pacific National about one year. Previously for four years he was with St. Louis F. & M.

Bert Aitken Joins Home of New York

Bert Aitken, who for many years has been working out of Spokane and Seattle, Wash., for the American, has joined the Home of New York. He will be in charge of the Spokane office under State Agent A. U. Hoelting, Seattle. He is replacing H. H. Bartlett who recently resigned to go with the St. Paul F. & M.

Schroeter to American

Harry R. Schroeter, Jr., of Seattle, has been named special agent of the American of Newark in Washington and northern Idaho. He succeeds R. H. Aitken, resigned.

Clarke with Glens Falls on Coast

The Glens Falls has appointed R. G. Clarke special agent covering Washington, Montana and northern Idaho. Mr. Clarke was formerly with the Netherlands in Seattle.

Illinois Field Meeting June 22-23

The Illinois Fire Underwriters Association has set June 22-23 as the date for its annual meeting at the Golfmore Hotel, Grand Beach, Mich.

NEWS BRIEFS

A. F. Turton of Newark, New Jersey state agent of the Empire state, has completed ten years with the company. He is president of the Insurance Square Club of New Jersey.

C. S. Pickell, state agent in Kentucky for Milwaukee Mechanics, has resigned to return to his former home at Kansas City.

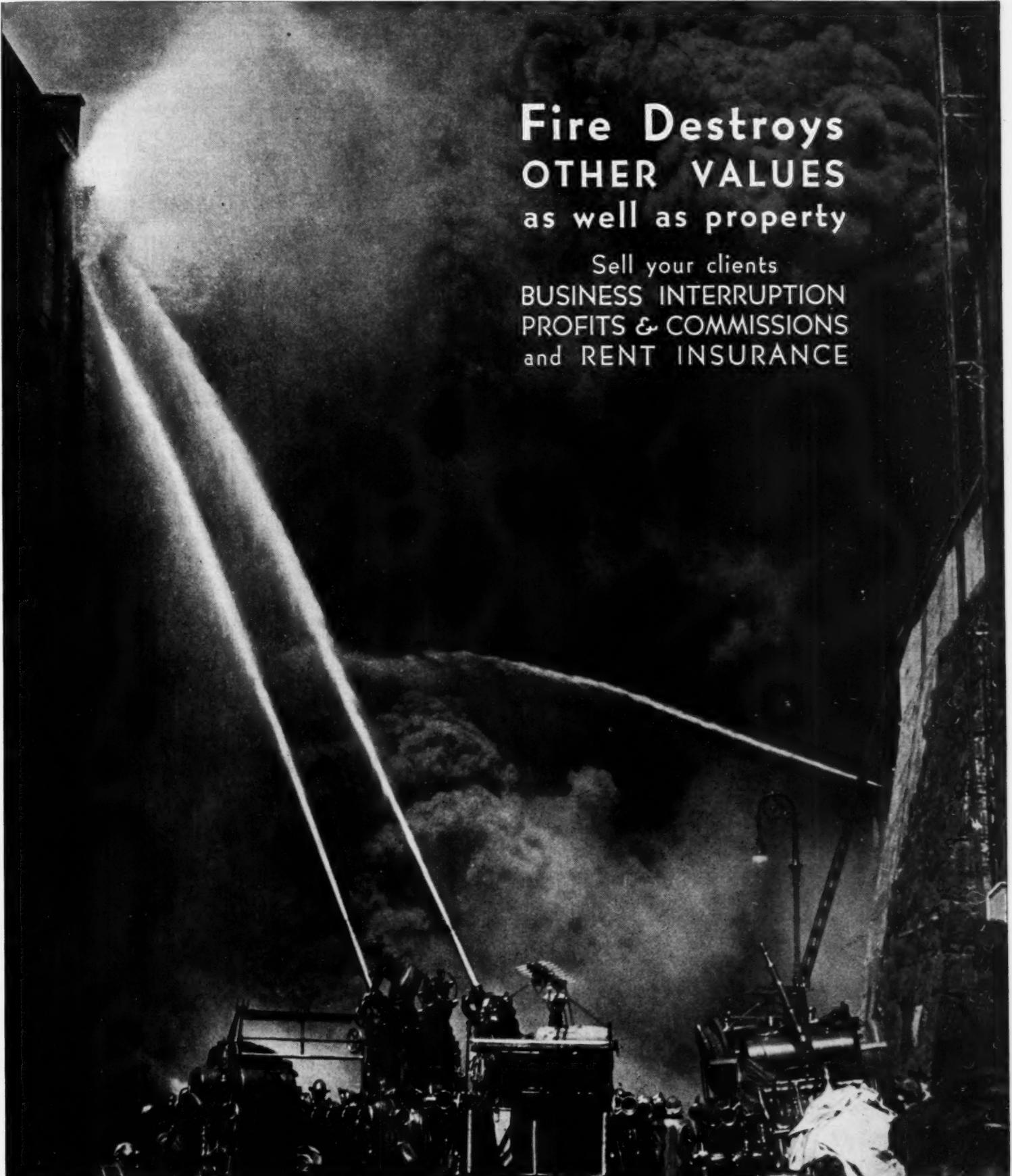
The annual spring party of the Iowa Blue Goose and the ladies auxiliary will be held April 29 instead of April 9, as stated last week.

The Missouri Fire Prevention Association inspected Macon March 29.

Hallock Bartlett, St. Paul F. & M. special agent, has moved his headquarters from Spokane, Wash., to Seattle.

Iowa Department Independent

DES MOINES, IA.—The long-awaited reorganization bill affecting the Iowa insurance department has been introduced in the legislature. The plan provides that the banking and insurance departments will be maintained as separate departments. The measure dispelled the fears that the legislature would merge the securities, banking and insurance departments into one commission. Under the bill the major change is the transfer of the securities departments, now under the secretary of state to the insurance department. The bill also takes the regulation of sales of stock on the installment plan, now performed by the auditor of state and executive council, and assigns it to the insurance commissioner.



**Fire Destroys
OTHER VALUES
as well as property**

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**BUSINESS INTERRUPTION
PROFITS & COMMISSIONS
and RENT INSURANCE**

America Fore Insurance

THE CONTINENTAL INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane.

NEW YORK

CHICAGO

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ATLANTA

DALLAS

MONTREAL



and Indemnity Group

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY

BERNARD M. CULVER, President
FRANK A. CHRISTENSEN, Vice-President

New York, N.Y.

AS SEEN FROM CHICAGO

RESIGNS AS LOSS HEAD

Paul Cregan, loss superintendent in the western department of the Security of New Haven, who is chairman of the Western Loss Association, has resigned as head of the organization in view of the fact that he will go to the head office when the recording business of the western department is moved to New Haven. Otto Voss, head of the Firemen's loss department, is vice-chairman and will be in charge of the organization.

THIEMEYER'S SAGINAW ADDRESS

H. R. Thiemeyer, manager of the service and brokerage department in the western office of the North America, will speak before the Saginaw, Mich., local agents, April 7 on the reporting form of cover and the merchandise and fixtures form.

W. L. LEONARD IN TARPON CONTEST

W. L. Leonard, general agent in the western department of Fireman's Fund, is leaving this week for Florida to engage in the annual tarpon fishing contest in the waters of that state. He will be away about three weeks. Mr. Leonard is an accomplished muskelunge fisherman and he believes that the technique that he has so successfully employed in northern waters in capturing this variety of fish can be applied to good advantage in going after the tarpon of Florida.

ARRANGE FOR ANNUAL MEETING

The members of the Western Underwriters Association, mobilizing in Chicago for the annual meeting to be held at White Sulphur Springs the week of April 17, will leave over the Big Four afternoon of April 14 on the "Chessley Special." The governing committee will meet the next day and there will

be other committee meetings and conferences. There will also be some work in connection with inspecting the golf courses. It is stated that the hazards will have increased and, therefore, the links will be given close attention. S. M. Buck, western manager of the Great American, will preside as president. Inasmuch as it is customary to elect the president for a second term he undoubtedly will be so honored.

ADJUSTERS TO HEAR GHEEN

Jimmie Gheen of New York, well known public relations counsellor, philosophical humorist and after dinner speaker, will address the luncheon meeting April 4 of the Adjusters Association

of Chicago in the Union League Club. He is a personal friend of President H. H. Moore of the association. Special guests are being invited and an attendance of at least 100 is anticipated.

"26 CLUB" TO HEAR BUREAU MAN

Peter Malah, Chicago manager National Bureau of Casualty & Surety Underwriters, will speak before the "26 Club" Thursday of this week. Mr. Malah will explain the present facilities of the Chicago office of the bureau for handling so-called A-rating. The facilities of the Chicago branch were recently enlarged to take care of rating work of this type which was formerly handled through New York.

The "26 Club" operates under a rotating chairmanship. Charles Wolfberg, prominent broker, will be chairman of this meeting.

NEWS OF THE COMPANIES

Western National Will Quit

Great American Takes Over the Agency Plant and Good Will of the Fargo Company

The Western National Fire of Fargo, N. D., which for some years past has had a 100 percent reinsurance contract with the Great American, has voted to liquidate and the latter company will take over the agency plant and good will of the North Dakota company. It operated only in its home state. It has \$100,000 capital and was started in 1918. There are upwards of 100 agents in the state. The Great American will operate the plant under the name of the "Western National Department." Otto Bremer, president of the American National

Bank of St. Paul, is president. He is interested in a chain of banks in the northwest. Hugo Bachenheimer, Fargo investment man, is vice-president; W. M. Stearn, who is president of the Dakota National Bank of Fargo, is treasurer, and Miss M. E. Kennedy, secretary, who is the practical operating person with the company.

Regular Dividend for Buffalo

The regular dividend of \$3 per share, payable March 31 to stock of record March 24, has been declared by the Buffalo.

Merchants Increase Approved

PROVIDENCE, R. I.—The house has passed a bill authorizing the Merchants to increase its capital from \$1,500,000 to \$3,000,000 and another bill permitting it to issue convertible preferred

stock, within limits of authorized capital.

Passed at the same session was a bill permitting the Rhode Island to issue convertible preferred stock within limits of authorized capital.

Kansas City F. & M. in Texas

The Kansas City Fire & Marine has entered Texas. Mendez Young, a graduate of the University of Texas, who has had many years of experience as a special agent both in Texas and Oklahoma, has been named state agent, with headquarters in Dallas. He has recently been Texas special agent of the Royal group.

NEW YORK

DREIFOOS A. I. U. COMPTROLLER

B. H. Dreifoos has been elected to the newly created office of comptroller of American International Underwriters Corporation. He has been connected for several years with Barrow, Wade, Guthrie & Co., New York accounting and auditing firm. He has specialized in insurance work. He is a member of the Insurance Accountants Association of New York, Insurance Society of New York and New York State Society of Certified Public Accountants.

KRAEMER HEADS EX-FIELD MEN

H. H. Kraemer, Continental, was elected chairman of the New York Ex-Field Men's Society at its annual dinner. R. T. Stewart, North British & Mercantile, is vice-chairman and W. C. Howe, Jr., Agricultural, secretary. The guest of honor was Special Agent John Dacey. Thirty-eight attended.

L. P. Crawford, for 10 years with the Wheeler, Kelly, Hagny Trust Co., **Web-Han**, has joined the Cook & Cook agency in charge of the insurance and bonding department.

PHILADELPHIA FIRE AND MARINE INSURANCE COMPANY PHILADELPHIA, PENNA.

Financial Statement at Close of Business, December 31, 1938

ASSETS	LIABILITIES
Bonds and Stocks.....\$4,977,919.17	Reserve for Unpaid Losses.....\$ 305,968.00
Valued as required by National Convention of Insurance Commissioners	Unearned Premium Reserve.....1,275,325.66
Accrued Interest on above Bonds.....12,900.50	Deposits Reclaimable on Perpetual Policies.....35,757.06
Cash in Banks and Office.....702,081.53	Reserve for Taxes and Other Expenses.....130,700.00
Premiums in Course of Transmission.....330,075.24	Reinsurance Non-admitted Companies.....7,567.76
Notes Receivable for Premiums.....422.85	Cash Capital.....1,000,000.00
Reinsurance Claims on Losses Paid.....2,284.17	Surplus.....3,270,364.98
	\$6,025,683.46

If actual market values as of December 31, 1938, were used in valuing all stocks and bonds held by the Company at that date the total value thereof would be.....\$5,023,460.00
 In such case the total admitted assets would show as.....6,071,224.29
 And the Surplus as.....3,315,905.81

Extend N. Y. Code Committee's Life

Continued to May 1 to Handle Amendments; May Carry Over to Next Year

NEW YORK—The New York legislature's Committee on Insurance Law Revision has been continued to May 1 by joint resolution. This extension enables the committee to handle amendments to the recodification bill which it reported out March 15. The legislature is scheduled to recess the end of this week until April 10. After that date it will hear amendment proposals and act on the code. Adjournment is slated for about the end of April. There is a possibility that the Insurance Law Revision Committee, headed by Assemblyman Piper, will later be continued until the reconvening of the legislature next January to study the bill and iron out inconsistencies.

Insurance men generally and a strong element among the legislators feel that it would be preferable to suspend action on the bill at this session because of the lack of sufficient opportunity to remedy errors and inconsistencies which have been pointed out at hearings and in memorandums. Continuation of the Piper committee would enable it to perfect the code before passage rather than passing it this year and then taking out the "bugs" by amendments at next year's session.

Louisiana Agents Program for Their Annual Meeting

The program is announced for the annual meeting of the Louisiana Insurance Society to be held in the Hotel Charleston, Lake Charles, April 20-21. B. F. Levy, president, and H. A. Boling, secretary of the Lake Charles Exchange, are the host officers. A. M. Dreyfuss of Shreveport is president of the state organization. The program is as follows:

Thursday, April 20

Address of welcome—J. H. Handley, mayor of Lake Charles.

Response—C. P. Gould, past president New Orleans Insurance Exchange.

Address by the president—Albert M. Dreyfuss, Shreveport.

Greetings from the fieldmen—Gibson Stevenson, Loyalty group, New Orleans.

Address—Vincent Cullen, president National Surety, "The American Way."

Address—Sidney O. Smith, Gainesville, Ga., chairman of the executive committee National Association of Insurance Agents, "The Middleman."

Address—C. A. Holcombe, judge, Baton Rouge, "The Compensation Law of the State of Louisiana."

Afternoon Session

Address—Will Love, field superintendent, United States Fidelity & Guar-

anty, Atlanta, "Judicial Bonds." Address—A. P. White, chairman Louisiana Casualty & Surety Rating Commission, "How the Commission Functions."

Address—W. S. Bizzell, manager Louisiana Rating & Fire Prevention Bureau, "The Bureau and How It Operates."

Executive Session—Local Agents Only

Secretary-treasurer report—C. S. Mayer, Baton Rouge.

Report of administration—R. Lea McClelland, manager, Baton Rouge.

Executive committee report—O. Wharton Brown, Monroe.

Mid-year conference report—L. M. Wise, president, New Orleans Insurance Exchange.

Friday, April 21

Showing of motion picture, "The Sugar Bowl Activities," courtesy of Hartson, Inc., general agents, New Orleans.

Address—C. D. Minor, educational director Royal-Liverpool, "The Three S's in Agency Success."

Address—Major Murphy J. Doden, assistant superintendent, Louisiana State Police, "Highway Safety."

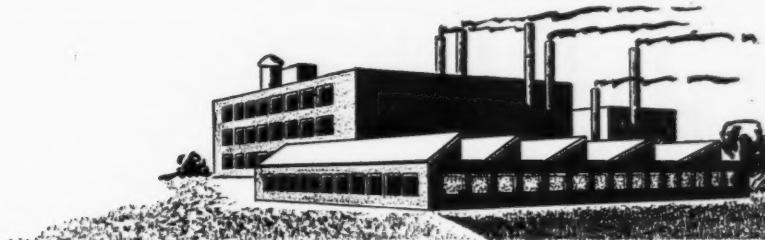
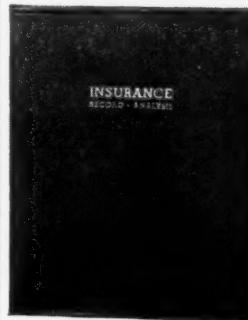
Address—T. W. Bethea, public rela-

tions counsel New Orleans Insurance Exchange. "The Growth of Cooperatives and the Necessity to Combat Them." Election of officers. Unfinished business. Adjournment.

Kleve Heads Cincinnati Corps

CINCINNATI—New officers of the Underwriters Salvage Corps of Cincinnati are Carl Kleve, president; W. S. Hukill, vice-president; C. W. Clemons, secretary, and Adam Benus, treasurer. Trustees also include W. A. Earls, Theodore Safford, and J. H. Tuke.

INCREASE YOUR EARNINGS THROUGH "SURVEY" SELLING



More and more agents are finding that the most effective way to "land" new accounts is through survey selling—and for building up present accounts there is nothing like it.

So that Millers National agents may increase their earnings through this successful approach for business, an attractive RECORD-ANALYSIS book has been prepared. It is complete yet so remarkably simple that the prospect comprehends its import immediately—and sales resistance which persists in the usual sales interview is easily overcome.

Would you like to receive a folder giving more information about this RECORD-ANALYSIS book—also suggestions as to how it can be used profitably? This will be sent without any obligation whatever on your part.

Simply mail your request to the Sales Promotion Department, Millers National Insurance Company, 1321 Insurance Exchange Building, Chicago.

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Drastic Auto Rules in Illinois

(CONTINUED FROM PAGE 3)

there is one rate for W and X cars and a higher rate for Y cars, while the four other Illinois territories now have the three rates.

Text of Proposal

There is some speculation as to whether the requirement of uniform classifications will affect the lower rates for non-business use of private passenger automobiles given by most non-bureau stock companies. Last year there was a prolonged argument over the so-called "occupational rating" plans which had had great competitive force. The matter was finally settled when the companies agreed to drop occupational distinctions and Mr. Palmer permitted a differential in rate between business and non-business use.

The proposed underwriting regulations, somewhat condensed, are as follows:

1. Fleets. It has been determined by the department that so-called "equity" rating plans are discriminatory and their use must therefore be discontinued.

It is thought, however, that uniform fleet rates and rating methods should be followed by all companies and that some central agency or agencies be established for the promulgation of all fleet rates and the assembling of experience data.

2. Territorial divisions of the state for rating purposes should be the same for all companies.

3. The department is satisfied that cars of higher list price or values should take higher rates or premiums for collision coverage than cars in the lower price brackets, but groupings by list price should be the same for all companies.

Limits Collision Forms

4. The department is disposed to encourage intelligent experimentation which may produce a more satisfactory way of rating collision insurance than has yet been found, but for the present proposes to limit the forms of collision insurance to be used in the state to full coverage, deductible, convertible, 50 percent retention only, 80 percent collision.

5. Experience data now available evidences but little justification for division of pleasure cars for bodily injury and property damage coverages into the classifications commonly designated as W, X and Y, therefore all makes of cars should be grouped under one rate for

each territory.

6. Plans and forms for installment payment of premiums should indicate a legal rate of interest on deferred payments.

7. Policies should not be permanently voided by temporary violation of a policy condition, for example a policy should not be permanently voided if the car insured is used on some one occasion to carry passengers for hire, but should be voided only during that period.

8. Mileage limits used in the determination of rates or premiums for commercial cars should be the same for all companies, and policies should not be voided for unavoidable nor occasional use beyond the mileage limit designated for rating purposes.

9. The provision filed in many manuals permitting the suspension of certain inoperative coverages when motor vehicle cannot be operated due to weather conditions does not appear to be applicable to present day road conditions and this provision should either be withdrawn from all manuals or a suspension rule drawn which will recognize any or all of the many conditions under which suspension of inoperative coverages should be permitted.

10. Use of a monthly reduction clause for fire, theft and collision with an ac-

companying credit in rate should be discontinued.

11. The short rate table used by all companies doing business in the state should be the same.

12. Classification of commercial cars for rating purposes should be uniform for all companies.

13. Policy provisions pertaining to other insurance should be uniform among companies. The practice of stating that all policies shall be considered as "excess" insurance in the event of other insurance is unsatisfactory because the "other insurance" will probably contain the same provision. Inasmuch as "other insurance" is found infrequently it would be better if policies contain no provision regarding the subject and that when two policies are found covering the same motor vehicle loss be pro-rated.

Valued Form Provisions

14. This department is disposed to disapprove the use of valued policies as being contrary to the best public interest, but in the absence of a ruling to that effect, companies issuing both forms shall charge rates for valued policies which are at least 10 percent in excess of the rates charged for non-valued policies.

15. It has been found that policies of some companies become effective or expire at 12:01 a.m., while those of others become effective or expire at noon. There have been instances when an innocent car owner on changing insurance from one company to another has been wholly uninsured during the period from 12:01 a.m. to noon, and it would seem that all policies should become effective at the same time and the department is of the opinion that noon is preferable.

16. It is evident that rates for automobiles should vary according to the length of time that they have been in use, but this department is of the opinion that age groupings should be uniform for all companies.

Requires Uniform Deviations

17. The department is now privileged to review experience involving a greater proportion of the insured motor vehicles in the state than ever before and in another year will have available experience involving all insured motor vehicles in the state. From reviewing this broad experience the department can determine that rates are fair, just, non-discriminatory and non-preferential for each and every classification. Therefore the department feels justified in requiring companies who make their own filings to follow a fixed and uniform relationship in rate to the basic rates. In other words, variations in rate from any level or standard should be in a uniform percentage for every classification or territory.

18. As the department is to receive from each company annually full details of its experience in the state following the uniform statistical plan recently adopted, it would seem advisable that statistical agents be designated to consolidate this data and it is therefore proposed that this work be done by the National Bureau of Casualty & Surety Underwriters for stock companies writing

American Equitable Assurance Company of New York

Organized 1918

Capital \$1,000,000.00

Globe & Republic Insurance Company of America

Philadelphia, Pa.

Capital \$1,000,000.00

Established 1862

Knickerbocker Insurance Company of New York

Organized 1913

Capital \$1,000,000.00

MERCHANTS AND MANUFACTURERS INSURANCE COMPANY OF NEW YORK

Organized 1849

Capital \$1,000,000.00

New York Fire Insurance Company

Incorporated 1832

Capital \$1,000,000.00

Sussex Fire Insurance Company

Newark, N. J.

Incorporated 1928

Capital \$1,000,000.00



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ing bodily injury and property damage and by the American Mutual Alliance for all coverages for mutual and reciprocal insurance companies and by the National Automobile Underwriters Association for fire, theft, and collision for stock companies. Inasmuch as companies not members of these organizations might naturally not care to disclose to them the details of their operations it can be arranged that the data returned by companies be identified by numbers or symbols, the only key to which will be in the hands of this department.

The requirement that all policies become effective and expire at noon will undoubtedly arouse objection. The present trend in casualty policies is toward a 12:01 a. m. expiration. The standard automobile liability policy now becomes effective and expires at this time and frequently when companies reprint their policies they change from the noon to the 12:01 time. Fire insurance policies all become effective at noon.

Rate Filing Requirements

The items to be watched in making filings are as follows:

1. Manuals should contain provisions covering all conditions for which policy forms or endorsements have been filed and conversely, policy forms or endorsements should be filed to cover all conditions appearing in manuals.

2. When manuals contain such notations as "refer to company" or "apply to company," rates and forms to cover such references or applications should be filed.

3. Manuals filed must contain the specific rates to be charged. Filing of a manual with a notation to the effect that rates contained therein are to be reduced in whole or in part by a given percentage will not be accepted.

4. Filing should evidence keeping of records in accordance with the standard statistical plans adopted by the department.

5. Companies filing rates or policy forms through a rating bureau or filing agency must adhere to the filings of that bureau or agency and filings made by a rating bureau or filing agency must be the same for member or subscribing companies.

6. Companies should not deviate in any respect from rates and forms which they have filed, and all revisions in manuals, rates and forms should be submitted to this department for approval before being printed in final form for use.

7. Policies to cover bodily injury or property damage should be in a form that will permit of their approval by this department under the financial responsibility law.

8. Rates or premiums for bodily injury insurance (unless otherwise required by law) appearing in all manuals shall be for \$5,000/10,000 limits for bodily injury and \$5,000 property damage coverage.

"Duke" Potter Makes Hit in Cleveland

(CONTINUED FROM PAGE 3)
tual life company; and many other statements which, he said, take advantage of the public's unfamiliarity with the insurance setup and suggest a false picture.

The speaker deplored the kind of advertising which listed large companies as buyers of mutual insurance and traded on their reputations when, as a matter of fact, often the assured had little experience with the mutuals and placed most of their business with stock companies. Investigation proved, in some cases, that the listed concern had not authorized use of its name and when it was called to their attention, the company ordered discontinuance of the practice.

Stock company agents should, he said, get across the idea to the public that the mutuals are directly opposed to the profit and loss system on which American business is built. "We have been

too easy in the past," he said. "In some cases it has been revealed that employees in the home office of stock companies have bought non-stock insurance to save money and without realizing what they are doing. They didn't know they were spending stock-earned money to help a mutual that would cut the throat of their own company. We must uphold the recognized profit and loss system which has built America. Any stock insurance man who asks for a special commission or discount on merchandise is hitting his own business. Cooperatives hit at the backbone of our system. The least we can do is to place our business with organizations that buy stock insurance.

"What we need is greater education of the public, that they may see the true picture. Public relations work is important today. We must tell the people in a language they will understand. Heretofore we have been too content to sit back and talk insurance among ourselves and not to the public, thinking they already knew about it.

"Cooperativism is even being taught in some schools and colleges today. And when the students get out, they will seek a job with a stock company which is dependent upon the profit motive. These same schools are supported by money earned in stock companies. Even the hospitals, art centers and social institutions are endowed or supported by profits of legitimate enterprises. Yet, we have allowed them to buy mutual insurance in direct opposition to the system of business which has supported them, without a word of protest."

"In depression times, many buyers of insurance lose their reason and yield to a cost-cutting trend without regard for results.

"The insurance business is like a giant held down by small cords of tradition, of fear, etc., and we have got to come out of it. There has been too much modesty in home offices regarding advertising. Too much copy has been cold and people are afraid of insurance. Insurance company advertising should welcome them to come in."

Calls Bar Leaders "Stuffed Shirts"

(CONTINUED FROM PAGE 3)

denied in Birmingham shortly. Among the representatives of the bar they procured the appointment of one of the chief counsel for the Liberty Mutual and associated companies in the Missouri case. This man employed and paid by the lay adjuster interests, was named to represent the legal profession in this matter. As I told you, neither the spirit nor the letter of the professional ideals is applicable to these when inconvenient. No organization has so carefully perfected the art of stacking a committee as has the American Bar Association. The only human achievement comparable to it is the art of the card sharper. They both deal from a 'cold deck.'

Clark said the American Bar Association would have to alter its course or "be repudiated by the formation of another national group of lawyers founded on the integrated state bar and comprising all the lawyers of America."

Marvin Woodall, a leader in the fight to oust adjusters from their business, told the lawyers that Hugh Locke, president of the group, "was crazy" if he thought all the lawyers were behind him in the adjuster fight. He said only a few lawyers were willing to go down the line in the fight. Judge Locke had previously said that the lawyers were "of one mind."

A prominent insurance adjuster who declined to permit use of his name said that the lawyers brought Clark to Birmingham again "to try their case in the newspapers," but that all they succeeded in doing was "washing their own dirty linen in public."

In order to allow time for decisions by the Missouri and the Alabama supreme courts on lawyer-adjuster cases

now pending before them, the case of the Birmingham Bar Association against 20 insurance adjusters and companies including the Fire Companies Adjustment Bureau was postponed by agreement until June 19 when called in circuit court in Birmingham Monday. The plaintiffs asked for the postponement.

An array of legal talent from Atlanta, Birmingham, Mobile and Montgomery and representing various companies was on hand for the expected trial in which the Birmingham bar seeks a declaratory judgment as to what constitutes the practice of law and an injunction to prevent adjusters from stepping over these bounds.

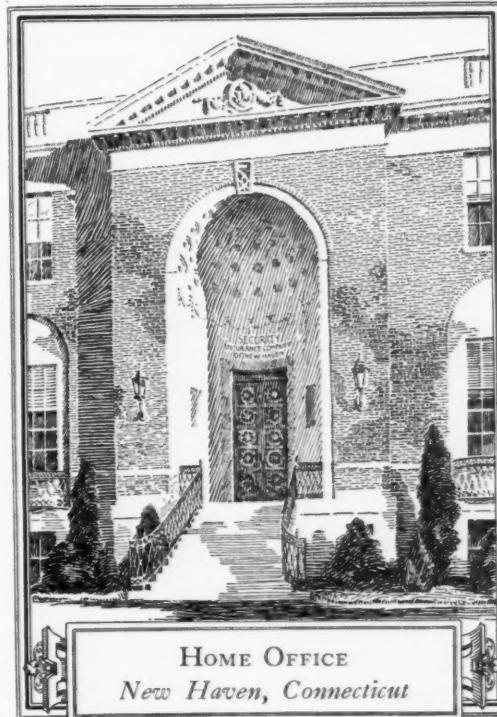
N. H. Richardson, 66, well known Indianapolis agent, died early Tuesday morning after several months' illness. Born in Indianapolis, son of the late B. A. Richardson, general agent Equitable Society, Mr. Richardson's whole business life was spent in insurance. Identified with several local agencies in Indianapolis at different times he was once manager of the insurance department of the Aetna Trust Company. At the time of his death he operated the Hall & Hill agency which he purchased 15 years ago. He was active in local board affairs and served for several years as its president.

Nominations Made for Directors of the U. S. Chamber

John C. Harding, executive resident vice-president of the Springfield F. & M. group in charge of its western department in Chicago, has been renominated as a director of the United States Chamber of Commerce, he being one of the two insurance directors. So far no opposition has developed. O. J. Arnold, president of the Northwestern National Life of Minneapolis, has been renominated as director from his district. S. F. Clabaugh, former chairman of the board Protective Life of Birmingham, has been renominated to represent district No. 4. Mr. Clabaugh is now located at Nashville.

During the annual meeting there will be a round table conference of the insurance section dealing with subjects pertinent to the business. It is expected there will be two set addresses. Mr. Arnold is chairman of the insurance department committee and presided at the insurance round table conference last year. It is thought that he will be the presiding officer this year.

"SECURITY FOR AMERICAN PROPERTY OWNERS SINCE 1841"



Security Group

SECURITY INSURANCE COMPANY

THE EAST & WEST
INSURANCE COMPANY

THE CONNECTICUT INDEMNITY COMPANY

EDITORIAL COMMENT

Studying the Returns of 1938

WE ARE all especially interested at this time of the year in studying the statistics of last year's business. It matters not what relationship we bear to insurance. Everyone should be concerned in reviewing what was accomplished last year by companies in which a person is interested or those with which he comes in competition.

There is a vast stock of statistical material of a very valuable nature available. Take, for example, the ARGUS CHART which gives the financial and operating reports of fire and marine companies and the ARGUS CASUALTY CHART, which covers likewise casualty, surety, accident and health companies. Those primarily interested in mobilizing the material, getting it in shape, analyzing it, figuring ratios and constructing general tables deserve much credit for the speed with

which the work is done. Very few mistakes occur. Naturally in compiling a work of this kind with thousands of individual items there will be some errors.

The ARGUS CHARTS enable an insurance man to have at hand very ready reference books which he can consult at any moment. He is called upon by his client or prospect to give information regarding this company and that. Some are very small. The ARGUS CHARTS, which are published by THE NATIONAL UNDERWRITER, include more companies by far than any other similar publication. The thought behind the publication is that it should be comprehensive. Agents know all about their own companies. They are not acquainted so well with other companies. They should be in a position to answer reasonable questions asked by customers.

Appealing to Small Income Purchasers

CURRENT developments in policy forms, particularly in the casualty field, indicate that the insurance business is giving heed to the motivating principle of an outstanding showman, "a lot more people have a dime than have a dollar." The \$500 residence burglary policy adopted by the NATIONAL BUREAU OF CASUALTY & SURETY UNDERWRITERS, after repeated requests from the field and successful experience of unaffiliated companies, is an obvious step in this direction. Preliminary reports indicate that it is amply performing its purpose of getting premiums from the lower middle class who need and want burglary insurance, but previously found the premiums for \$1,000 too large and the additional protection unnecessary. Another straw in the wind is the introduction by a leading non-bureau company of a combined burglary, robbery and fidelity contract for small stores.

Less obvious, but none the less indicative, is the increasing attention in company house organs and talks by company officials to the importance of premiums contributed by assured with incomes in brackets such as \$3,000 or less. The point invariably made is that these policyholders already contribute a substantial share, but offer far greater possibilities of increase than their more wealthy brothers. Wealthy men and large businesses are solicited to death. The agent who gets a line of this type faces a struggle at every expiration. The small assured is usually passed over and,

when some insurance man takes the trouble to sell him, the chances of renewal competition are slim. Probably every agent has on his books some small policies which have renewed automatically for years and provided him with a steady, though small, income, while he has fought for, spent time and money on, won and lost large "target" risks. Getting more small business of this type is obviously desirable, though the appeal of the large line will always persist. Any policy designed for small assured will be of a tremendous help to agents and companies alike, provided there is a real need for it and it is designed to sell easily.

Long ago, life companies recognized the tremendous mass buying power of the low income assured. Even apart from the industrial field, with its tremendous aggregate of tiny weekly premiums, the success of comparatively small "package" policies has been remarkable. In the fire and casualty field, policies designed for small assured have been successful wherever they filled a need which was readily apparent to the public. Probably the outstanding success among these small contracts is the storekeepers burglary and robbery policy, which has not only produced a large premium volume from merchants who had previously been inadequately insured or uninsured, but has generally been profitable to the companies. On the other hand, the office burglary and robbery policy, for example, failed to

produce. It looked good on paper, and probably is worth the premium, but the public simply could not get aroused over the danger of burglary or holdup of an office. We doubt if many agents who attempted to sell it bothered to buy it for their own offices.

Some years ago, a successful agent in a good-sized city installed a brokerage department at considerable expense and went after large nation-wide risks. He got the business, sometimes with premiums of \$100,000 or more. But his final conclusion was that he had not made a cent on it. High salaries, heavy traveling and incidental expenses, long distance telephone calls and the like ate up the shaded commissions. It was tempting to splurge on a line, figuring that renewals would show a profit on the investment. But every expiration meant

another expensive struggle. In place of a net profit, he had a certain amount of publicity, the thrill of big figures and considerable ill-will from other agents. And all this time, his regular business, largely from small, unglamorous solicitors, made the agent a better than average living.

We can think of no activity which offers a more promising source of desirable premiums than considered attention to policies designed for small assured. It takes careful study from both the actuarial and the sales department. But experience shows that the proper combination, with an eye to both price and sales appeal, will produce premiums—and profits. Competition and the glamour of big figures will always take care of the larger lines, but the small ones are seldom self-starters.

PERSONAL SIDE OF THE BUSINESS

H. A. Amonette of Denver, state agent St. Paul Fire & Marine, is in a hospital at El Paso, Tex., recovering from injuries suffered in an automobile accident.

As a sort of curtain raiser to the mid-year meeting of the National Association of Insurance Agents at Hollywood, Fla., L. L. Sertel and T. D. Reducka of the potent local agency of **Sertel-Reducka** at Miami will give a luncheon to a number of friends at the Surf Club next Sunday. Mr. Sertel is a consistent attendant at National association conventions and is very popular. His partner is a man of ability and the two make a splendid team.

Commissioner Goodcell of California denies emphatically that he has resigned or contemplates resigning. Reports of his resignation have apparently spread throughout the United States, probably based upon the conflict between the senate and the new state administration when Mr. Goodcell's appointment was confirmed. Governor Olson was reported to have been considerably "miffed" over the confirmation and there were reports that ways and means would be found to declare the office vacant in order to replace Mr. Goodcell.

W. B. Rearden, executive vice-president of the Firemen's group, is en route to Newark after about two months absence. He visited the Hawaiian Islands and spent a week in San Francisco attending a Pacific Coast field men's conference.

Ben P. Branham, well known figure in the Chicago insurance district, who also enjoys a wide acquaintance among insurance people throughout the country, has retired almost entirely from all business activity. "Uncle Ben" is a choice personage. In days gone by he taught a large Sunday school class in Chicago. In connection with his spiritual duties he concocted the "Uncle Ben cocktail." He was always congenial, convivial and hospitable. Unfortunately for him his eyesight began to fail some years ago and now almost total darkness has set in. Mrs. Branham died

some time ago and left him forelorn in his household.

When John F. Stafford at Babson Park, Fla., who is always scattering sunshine, was in Chicago last September he got in contact with Mr. Branham and found that he was looking forward to a lonely existence in his home, sitting there day after day, peering into the dark. Mr. Stafford suggested that he maintain a little office in the Insurance Exchange building in Chicago so that during the afternoons now and then people that knew him could drop in and have a word. Therefore, he has an office at 949 Insurance Exchange, goes to it in the afternoons and keeps open house. Mr. Branham thus finds an avenue of inspiration, hope and good cheer through this contact with his friends.

Paul B. Sommers, president American of Newark, stopped in Los Angeles on his return from a vacation trip to Honolulu. He went on to San Francisco before returning east.

W. P. Robertson of Chicago, general manager of the western department of the North America group, left Tuesday for Hollywood, Fla., where he will attend the mid-year meeting of the National Association of Insurance Agents. He is taking a few days off and will play golf. L. J. Braddock, assistant manager, is spending the winter at St. Augustine, Fla., and Mr. Robertson will stop and see him on his return home.

George H. Bell, western manager of the National Fire of Hartford, will return to his office this week after spending part of the winter at Coronado Beach, Cal.

C. H. Watkins of Boston, prominent local agent and vice-president of Excelsior of Syracuse, was given a testimonial dinner by the president of the Harvard Club of Boston in recognition of Mr. Watkins' service for the past eight years as chairman of the program committee of that club. One of the guests was R. C. Hosmer, president of Excelsior.

The engagement of **Dudley F. Gibson**, prominent local agent of Alton, Ill., and a leader in the Illinois Association

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of Insurance Agents, to Miss Elizabeth Barbara Smith is announced. Miss Smith is a member of the faculty of Monticello College. She is a daughter of Mr. and Mrs. Melbourne Smith of Tyron, N. C. She graduated from Wellesley College.

A. F. Powrie of Chicago, western manager Fire Association group, is returning this week from a two weeks sojourn at St. Petersburg, Fla.

DEATHS

R. E. Molt, 76, former Massachusetts state fire marshal, died in Worcester, Mass.

John T. Doran of Kansas City, 65, assistant manager of the Bruce Dodson insurance interests and personal manager for Bruce Dodson, Jr., died there. He had been with the Dodson group 30 years.

James S. Palmer, 56, Nebraska state agent National of Hartford, died at Omaha after an illness of five months. He had been in the Nebraska field for National since 1914, when the State of Omaha, with which he was connected at that time, was reinsured by National. L. R. Hanawalt, assistant western manager, and C. E. Parks, manager farm department of the western department of National, attended the funeral.

Charles L. Henry, 66, secretary Standard of New York and general auditor of the associated Tokio Marine & Fire, died in New York following an illness of 10 days. A native of Canada, Mr. Henry started years ago with Weed & Kennedy, then United States managers of what was known as the "Dutch fleet." Later he was with Marsh & McLennan of Chicago, representing the Union of Canton. He joined the Tokio organization, of which his former chief, the late J. A. Kelsey, was fire manager, in 1931.

Mrs. J. W. Williams, whose husband was a well known field man and adjuster, died at the home of her son, A. B. Williams, independent adjuster, in Indianapolis.

Sam H. Rolston, veteran special agent of Trezvant & Cochran at San Antonio, was killed in an automobile accident near Mercedes, Tex. He had been with the firm 25 years and at San Antonio for 12 years.

Ira Miller, who had been president of Lancaster Township Mutual Fire of Freeport, Ill., for 25 years, died at the age of 74.

Walter M. Harvey, 48, **Quimby, Inc.**, local agent, died in a hospital at Cushing, Ia.

Alex Johnson, local agent of Batavia, Ill., died at the age of 76. He had been in the business about 40 years.

D. S. Workman, local agent in **Danville, O.**, died there. The Royal has transferred to the R. W. Hagans agency and the Boston to the Paul Edgar agency.

Start Paying MLU Claims

KANSAS CITY.—The report of allowances of loss claims against the defunct Manufacturing Lumbermen's Underwriters, filed with Circuit Judge Southern here, shows a total of \$50 for almost \$400,000. The commissioners who filed the report now have turned their attention to hearing claims for return premiums, surplus, etc.

The report covers all outstanding loss claims in the United States. Canadian losses are being filed in Canada, where the liquidator has assets of his own. Bulk of the U. S. losses have occurred since Nov. 12, 1936, when the Missouri department took over the reciprocal. Some claims, however, cover losses in process of adjustment at that time.

The Missouri department expects to begin paying the claims between April 15 and April 30. The department has on hand enough MLU cash to pay loss claims so that it will not have to liquidate any bonds. These bonds produce \$1,200 a month more in earnings than the amount of the department's fixed expenses for handling the liquidation job, including attorney's salary.

Convention Dates

April 3-6—National Association of Insurance Agents, Hollywood Hotel, Hollywood, Fla.

April 4—Florida Agents, Hollywood Hotel, Hollywood, Fla.

April 18-19—Western Underwriters Association, Greenbrier Hotel, White Sulphur Springs, W. Va.

April 19-21—Louisiana Agents, Charles Hotel, Lake Charles.

April 27—Wisconsin Agents, Loraine Hotel, Madison.

May 1-4—U. S. Chamber of Commerce, Washington, D. C.

May 4-5—Inland Marine Underwriters Association, Greenbrier, White Sulphur Springs.

May 7-9—North Carolina Agents, Carolina Hotel, Pinehurst.

May 8-12—National Fire Protection Association, Stevens Hotel, Chicago.

May 10—Insurance Advertising Conference, Hotel Pennsylvania, New York.

May 10-12—Western Insurance Bureau, French Lick, Ind.

May 16-17—Pa. Ins. Federation, Wm. Penn Hotel, Pittsburgh.

May 17-18—Nebraska Agents, Pawnee Hotel, North Platte.

May 17-18—South Carolina Agents, Columbia Hotel, Columbia.

May 18-20—Industrial Insurers Conference, Edgewater Gulf Hotel, Edgewater Park, Miss.

May 18—Illinois Agents (Midyear), Ft. Armstrong Hotel, Rock Island.

May 18-19—Alabama Agents, Tutweiler Hotel, Birmingham.

May 18-19—Texas Agents, Roosevelt Hotel, Waco.

May 18-20—Georgia Agents, Partridge Inn, Augusta.

May 19-20—Arkansas Agents, Arlington Hotel, Hot Springs.

May 22-23—New York Agents, Onondaga Hotel, Syracuse.

May 22-23—Mississippi Agents, Markham Hotel, Gulfport.

May 22-23—Health & Accident Underwriters Conference, Hotel Statler, Boston.

May 26-27—Virginia Agents, John Marshall Hotel, Richmond.

June 8-9—Kentucky Agents, Kentucky Hotel, Louisville.

June 14-15—Kentucky Field Men, Mammoth Cave.

June 21-22—National Accident & Health Association, Hotel Pennsylvania, New York.

June 21-23—National Association of Insurance Commissioners, Fairmount Hotel, San Francisco.

June 22-23—Illinois Field Men, Golfmore Hotel, Grand Beach, Mich.

June 22-24—National Association Independent Insurance Adjusters, Washington, D. C.

June 26-28—American Association of Insurance General Agents, Mark Hopkins Hotel, San Francisco.

June 27-28—Bureau of Personal Accident & Health Underwriters, Westchester Country Club, Rye, N. Y.

July 6-8—New England Agents, Mt. Washington Hotel, Bretton Woods, N. H.

July 14-15—Upper Peninsula of Mich. Agents, Iron River.

Unusual Loss in Defiance, O.

J. F. Deatrick, local agent of Defiance, O., relays information about a loss of unusual origin that was suffered by G. F. Behringer, president of American Steel Package Company of Defiance.

Mr. Behringer was using a new short wave diathermy machine that he had recently purchased. He was lying in bed, with one electrode at his feet and the other under the pillow. After fifteen minutes, the time clock switched, shut off the machine and Mr. Behringer "dozed off" for about 30 minutes. He awakened and smelled smoke. He found the mattress was on fire on the inside with no exterior evidence other than a small scorched spot, both top and bottom under the electrode at his feet. He made an incision and found the interior of the mattress ablaze. It turned out that a plurality of "turns" of one of the coils in the mattress under or near the electrode were probably shorted and inductively tuned to the frequency of the machine, resulting in a heating of these turns sufficient to ignite the combustible cloth enclosure.

H. H. Chapman of Corydon, Ia., has purchased a half interest in the C. C. Woodruff agency, Creston, Ia.

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ORGANIZED
1869

CAPITAL
\$3,000,000.00



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TO AGENTS AND POLICYHOLDERS

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HARRY G. CASPER
United States Manager

BERT A. JOCHEN
Assistant U. S. Manager

**THE
EXCESS
INSURANCE COMPANY OF AMERICA**

ROBERT N. ROSE, PRESIDENT



CONDENSED STATEMENT

AS OF DECEMBER 31ST, 1938

ASSETS

Cash in Banks and in Office -	\$ 693,921.64
United States Government Bonds -	965,122.94
Other Bonds -	876,950.36
Stocks, Preferred and Common -	515,454.67
Mortgage Loans—Unpaid Principal -	21,050.00
Outstanding Premiums (Less than 90 days due) -	178,580.82
Accrued Interest on Investments -	18,270.43
Other Assets -	22,052.00
Total Admitted Assets -	\$3,291,402.86*

LIABILITIES

Reserve for Claims and Claim Expenses -	\$ 1,092,040.82
Additional Reserve for Claims and Claim Expenses (Non-admitted reinsurance) -	19,822.80
Reserve for Unearned Premiums -	381,277.20
Additional Reserve for Unearned Premiums (Non-admitted reinsurance) -	19,636.26
Commissions and Brokerage (Including reserve for contingent commissions, net) -	36,516.73
Other Liabilities (Including Taxes) -	131,477.56
Reserve to reduce securities to quoted Market Value as of December 31st, 1938	100,453.42
Capital—Paid In -	\$755,095.00
Net Surplus -	755,083.07
SURPLUS TO ASSURED	1,510,178.07
	\$3,291,402.86

*NOTE: Included above are 1231 shares of an insurance company carried at a book value of \$13,327.67 for which no association value has been established. Securities carried at \$624,552.47 in the above statement are deposited for purposes required by law or contract. Bonds and Stocks are valued in accordance with requirements of State of New Jersey Insurance Department.

For complete information see Annual Statement filed pursuant to statute with the State of New Jersey. The above balance sheet is only a condensed statement for comparative purposes.

EXECUTIVE OFFICES: 99 JOHN STREET, N. Y. C.

TELEPHONE: BEEKMAN 3-1147

Chicago Service Office: 175 West Jackson Boulevard, Chicago, Illinois.

The NATIONAL UNDERWRITER

March 30, 1939

CASUALTY AND SURETY SECTION

Page Fifteen

Brilliant Dinner for Duncan Reid on His Retirement

More Than 600 Participate in Farewell to President of Globe Indemnity

NEW YORK — What will long be remembered in casualty circles was the dinner arranged by the chairman and directors of the Liverpool & London & Globe, at the Waldorf Astoria Wednesday evening to honor A. Duncan Reid, on the occasion of his retirement as president of Globe Indemnity, and his withdrawal from active business affairs.

The strong hold that the personality of the honor guest exerts and appreciation of what he has accomplished for the advancement of casualty and surety interests through the years was attested by the attendance of close to 600 leaders at the dinner, and by the hearty and continued applause that greeted the high spots in Mr. Reid's career as noted by the different speakers.

To evidence their recognition of the service Mr. Reid has rendered as directing head of Globe Indemnity since its formation in 1911 Arthur E. Pattinson, chairman of the board of Liverpool & London & Globe; J. Dyer Simpson, general manager; Capt. P. M. Spence, financial secretary, Lord Cornwallis and J. A. Falconer, directors, journeyed from England to be present at the gathering.

Harold Warner Toastmaster

Harold Warner, United States manager of Royal-Liverpool, and as such a close associate of Mr. Reid's for the past 13 years, was toastmaster. He functioned in easy, gracious and sincere fashion. At his right upon the dais was the honor guest of the evening, Mr. Reid.

Large of frame, mind and heart, A. Duncan Reid has been an outstanding figure in the casualty arena for many years, and his retirement is a severe loss to the business. He has a masterful grasp of the business and he was always ready to share his knowledge for the common good. A hard worker, neither time nor effort was considered when he was studying a problem, and he usually found the answer.

He is an independent thinker, but he has always been willing to reverse his views, when convinced of his error. He has no pride of opinion, but is ever a seeker after the truth.

He maintained intimate touch with every division of his business and no telegram or important letter went out of the Globe office until he had scanned it. His memory is remarkable. He easily recalls particulars of a case months after it is disposed of. He contributed in large degree to the betterment of the casualty and surety business. He conceived the

(CONTINUED ON PAGE 28)

Casualty Company Totals for 1938 Are Compiled

Casualty totals for 1938 are shown in the 1939 Argus Casualty Chart, published by THE NATIONAL UNDERWRITER. Stock companies fared better in their casualty premium income in 1938 than was predicted several weeks ago. Premiums totaled \$852,770,324, a decline of 1 percent from the 1937 total. Accident and health business increased \$6,370,000 or 4 percent. Stock company casualty automobile premiums declined over 2 percent. Surety premiums increased 10 percent, going to \$48,459,679 from \$44,102,927.

Workmen's compensation premiums totaled \$167,052,641 in 1938, compared to \$173,500,789 in 1937, a 4 percent decline. Practically all the major lines showed declines with some of the minor lines such as live stock and sprinkler leakage showing gains.

Mutual premiums showed an increase of 1.2 percent in 1938, totaling \$260,592,755. Mutual automobile premiums showed an increase of over \$7,000,000. The mutuals, however, showed a decrease in compensation business which wiped out the gains made in other lines. The following compilation is taken from the 1939 Argus Casualty Chart.

In compiling these figures admitted assets, liabilities and surplus totals are compiled on the same basis of securities as reported for individual companies in the 1939 Argus Casualty Chart. Contingency reserves and reserves for security value depreciation are included in liabilities. Net deposit capital of U. S. branches of foreign companies is included in surplus less capital item, but not in capital item.

ALL COMPANIES

(Stock, Mutual, Reciprocals, Lloyds and Accident and Health Departments of Life Companies)

	1938	1937
Admitted Assets	\$16,673,872,780	\$15,664,431,575
Liabilities	15,448,734,149	14,554,028,103
Surplus to Policyholders	1,225,138,631	1,110,403,472
Net Premiums Written	1,157,243,758	1,183,047,094
Losses Paid including adjusting exp.	567,334,394	557,635,637
Ratio of Losses Paid to Net Premiums Written	49.0%	47.9%

STOCK COMPANIES

(All Companies Writing Casualty Lines Except Accident and Health Departments of Life Companies)

	1938	1937
Admitted Assets	\$ 2,928,234,636	\$ 2,705,003,850
Liabilities	2,420,275,035	2,250,086,866
Capital	153,190,387	150,404,522
Surplus less Capital	354,769,214	304,512,462
Surplus to Policyholders	507,959,601	454,916,984

CLASSIFICATION OF TOTAL STOCK BUSINESS

(Stock Companies and Accident and Health Departments of Legal Reserve Life Companies)

Classification	Net Prem. Written	Losses & Adj. Exp. Paid	%
Accident	\$ 54,636,206	\$ 23,577,743	43.2
Health	26,435,492	16,832,492	63.7
Non-Can. A. & H.	18,338,394	13,334,376	72.7
Other A. & H. (not sep.)	36,224,373	16,880,342	46.6
Indust. Life, Acc., Health (not sep.)	24,661,783	8,949,250	36.3
Total Acc. & Health	\$180,296,747	\$ 79,574,203	49.6
Auto Fire, Theft, Tornado	2,758,164	913,202	33.1
Auto Collision	9,001,236	5,017,365	55.7
Auto Liability	216,657,731	119,110,942	55.0
Auto Property Damage	59,234,000	30,544,397	51.6
Other Auto (not sep.)	6,436,131	3,065,306	47.6
Total Automobile	\$294,087,262	\$158,651,212	53.9
Burglary	\$ 26,892,657	\$ 7,920,552	29.5
Credit	2,858,179	2,223,768	77.8
Fidelity	40,552,107	12,460,875	30.7
Liability not Auto	80,817,382	34,010,870	42.1
Live Stock	679,764	460,649	67.8
Machinery	3,828,315	1,136,041	29.7
Plate Glass	10,798,068	5,091,436	47.2
Prop. Dam. & Coll. not Auto	4,824,673	1,121,312	23.2
Sprinkler Leakage	624,786	243,023	38.9
Steam Boiler	8,135,241	950,107	11.7
Surety	48,459,679	10,880,090	22.5
Workmen's Collective	23,234	9,055	39.0
Workmen's Compensation	167,052,641	92,274,099	55.2
Miscellaneous	2,839,589	1,144,172	40.3
Grand Total	\$852,770,324	\$408,151,464	47.9

(CONTINUED ON NEXT PAGE)

New Non-Ownership Classifications in Auto Manual

Garage Operator's, Public Automobile Rules Also Changed

NEW YORK—Detail changes in almost every section of the automobile casualty manual have been made by the National Bureau of Casualty & Surety Underwriters. Among the rules affected are those on non-ownership liability, garage liability, funeral directors, public automobiles, school buses, suspension endorsement, safe driver reward plan, operator's policy, and transportation of employes and fellow-employes. Almost the entire rule section of the manual has been reprinted and the number of pages increased from 86 to 91. These changes are effective March 27, except in Illinois, North Carolina, and Virginia. Old rules will remain in force in those states until filings have been approved.

Changes have also been made in the exception sheets in California, Louisiana, New Hampshire, Oregon and Washington. Most of these changes relate to public and contract truck rules. Changes have also been made in the employers' liability insurance rule in New Hampshire, where employers not under the workmen's compensation act are required to carry employers' liability in connection with automobile insurance.

Private Non-Ownership Coverage

A new section permits the issuance of a non-ownership liability policy to cover private activities of the assured. There has been some demand for this coverage from wealthy assured, particularly those with estates located some distance from towns having servants who may use their own or borrowed cars on activities connected with the operation of the residence. Under this rule, the assured will be covered for all operation of automobiles in connection with his private activities except vehicles owned or registered in his name or in the name of any member of his family residing with him, vehicles being used in his business or that of his wife and vehicles operated by the named assured and members of his family residing with him. The manual rates for class 1 and class 2 employees will apply, subject to the standard non-ownership minimum premiums of \$10 for bodily injury liability and \$5 for property damage liability insurance.

Another change in the non-ownership section provides that, where the assured is an individual, the policy shall not cover his liability while he is operating any automobile. Previously, although presumably not intended by the companies, the non-ownership policy has been so worded that an assured in business as an individual was covered should

(CONTINUED ON PAGE 21)

Changes in Airtravel, Airinsurance Policies

U. S. Aviation Underwriters Makes Some Rate Reductions and Enlarges Cover

United States Aviation Underwriters announces a number of changes in its "Airtravel" and "Airinsurance" policies effective April 1.

The annual rate for each \$1,000 insured is being reduced from \$1.80 to \$1.40 in respect of airtravel policies which are designated as U. S. A. I. G. airline accident policy for individuals. Medical reimbursement in the amount of \$50 for each \$1,000 of principal sum will be included, without extra charge.

The definition of approved aircraft has been amended so as to include the Canadian Colonial Airways operating between New York and Montreal and Prairie Airways, Ltd., and to exclude trans-oceanic flights, except between the United States and Bermuda and flying that is necessary in trips between places in North and South America and the West Indies.

To most of airtravel policyholders the changes mean a reduction in rate and an increase in coverage by the inclusion of medical reimbursement.

Airinsurance Changes Are Made

Insofar as airinsurance policies are concerned, the rates are unchanged at \$1 a thousand for flights taken in business purposes and \$1.10 for flights regardless of purpose. The same correction in the definition of approved aircraft and the addition of trans-oceanic exclusion is being made in the airinsurance policies as in the airtravel policies. In addition, under airinsurance, III, medical reimbursement coverage on the basis outlined in respect of airtravel, will be included.

The U. S. Aviation Underwriters states that when the rates for airinsurance were promulgated they were intentionally placed at a very low level in the belief that employers would not only name under their policies those who were traveling regularly on the airlines but employees who might have occasion to use the airlines during the policy period and on whose behalf, because of the low premium rate, employers would include coverage at the inception of each policy. A small number of employers, according to U. S. Aviation Underwriters, have taken advantage of the provision permitting pro rata attachment of additional employees. A few have added employees for one day's flying and then requested the coverage canceled. This has meant enormous overhead in adding and canceling employees. Beginning April 1, the full annual rate will be charged for each employee declared during the first six months of the policy period and 50 percent of the annual rate for each employee added under a policy during the second six months a policy is in force. There will be no return premium allowed for the canceling of insurance applicable to any employee who has not left the employ of his firm and then return premium will be allowed on a short rate basis only.

Foreign Experience Poor

The underwriting experience in connection with passengers traveling on foreign airlines has not been overly encouraging, according to U. S. Aviation Underwriters. A prime interest of U. S. Aviation Underwriters was to assist those engaged in domestic travel and the development of American aviation and the subsequent extension of these policies to include foreign travel at an additional premium of 50 percent of the normal rate was reluctantly agreed upon. The premium for foreign travel after April 1 will be three times the rate for travel on airlines specifically referred to in the definition of approved aircraft.

Much Interest in Car & General Move

Freeman Read, formerly manager of Globe Indemnity in Chicago, who has gone with Car & General as manager of its Chicago office, covering Wisconsin, Illinois and Indiana, is now at the New York head office of his new com-



FREEMAN READ



A. J. BROWNING

pany, getting acquainted with the setup. Former Manager A. J. Browning will remain in Chicago until May 1, helping Mr. Read get started. Then he will go to New York and take his new position as accountant.

The territory under the supervision of the Chicago office had a premium income of nearly \$1,000,000 in 1938.

Mr. Read is one of the best known Chicago casualty executives. He has been in the casualty business 28 years, starting in 1911 at the old home office of London Guarantee in Chicago. A year later he went with Globe Indemnity in its then western department. In 1916, when the western department was disbanded, he went with R. W. Hosmer & Co. of Chicago, opening a casualty department for that agency and developing Globe Indemnity through that agency's connection with the company. He returned to Globe Indemnity in Chicago in 1929 as assistant manager. In 1935 he was appointed manager.

Mr. Browning went with Royal Exchange in 1920 in the accounting de-

Would Charge Uninsured Higher N. Y. License Fee

Although it is very unlikely to pass, considerable interest is shown in the bill before the New York legislature that was presented by the joint legislative committee whereunder those motorists who do not have automobile liability insurance would be required to pay a state registration fee of \$5 more than the present charge. These extra collections would be used to create a fund, from which payments would be made to injured persons. There would be a limit of \$300 that a single individual could collect and a total of \$600 that could be collected as a result of any one accident.

These payments would be made by an administrative board. The payments would be made regardless of fault but if the board should determine that the motorist was to blame, an effort would be made to collect the amount from him. If he did not make good, his registration and driver's licenses would be forfeited. The estimate is that there are about 1,500,000 uninsured vehicles in New York state. That would mean that the fund would be in the neighborhood of \$7,500,000.

partment. In 1928 when Royal Exchange introduced Car & General into this country, he was assigned to the casualty company. In 1930 he opened the first branch office for Car & General, that being in Milwaukee. Then in 1933 he was transferred to Chicago in charge of the three states.

The Globe Indemnity Chicago organization gave Mr. Read a going away party the other evening and presented him with some equipment for his camera. T. P. Cunningham, the new assistant manager of Globe, officiated. Several representatives of R. W. Hosmer & Co. participated in the affair.

Leopold Schoenling, Harrison, O., was presented a 25-year service medal of Fidelity & Casualty, through D. L. Robb, special agent for the J. R. Millikan agency of F. & C in Cincinnati.

Casualty Company Totals

(CONT'D FROM PRECEDING PAGE)

MUTUAL COMPANIES

	1938	1937
Admitted Assets	\$378,248,949	\$338,852,448
Total Liabilities	277,532,823	251,002,629
Surplus to Policyholders	100,716,126	87,849,818

CLASSIFICATION OF TOTAL MUTUAL BUSINESS

Classification	Net Premis. Written	Losses & Adj. Exp. Paid	%
Auto, Fire, Theft, Tor. & other Auto.....	\$ 4,166,913	\$ 1,392,880	33.4
Auto Collision	10,205,120	6,096,480	59.7
Auto Liability	70,878,453	36,309,875	51.2
Auto Property Damage.....	22,166,654	10,445,494	47.1
Other Auto (not separated)	1,467,355	874,365	59.6
 Total Automobile	 \$108,884,495	 \$ 55,119,094	 50.6
 Acc. & Health (Inc. Sick Ben. & Burial)	 \$ 48,029,822	 \$ 28,000,137	 58.3
Burglary & Theft.....	1,027,401	245,555	23.9
Fidelity	651,673	262,384	40.3
Liability other than Auto	11,914,599	4,858,403	40.8
Live Stock	5,216	2,364	45.3
Machinery	498,317	100,158	20.1
Plate Glass	1,022,220	512,088	50.1
Prop. Dam. & Coll. (not Auto)	893,101	228,209	25.6
Steam Boiler	614,118	48,074	7.8
Surety	138,170	12,172	8.8
Workmen's Compensation	86,878,687	46,173,893	53.1
Miscellaneous	34,936	13,335	38.2
 Grand Total	 \$260,592,755	 \$135,575,766	 52.0

RECIPROCALES & LLOYDS

	1938	1937
Admitted Assets	\$60,383,581	\$61,674,269
Liabilities	37,029,077	35,646,493
Surplus to Policyholders	23,354,504	26,027,776
Net Premiums Written (Auto and Other Lines)	43,880,679	48,245,562
Losses Paid, Including Adjusting Expenses	23,607,164	25,528,403
Ratio of Losses Paid to Net Premiums Written	53.8%	52.9%

Jeffery to Chicago for Firemen's

Heads Casualty-Surety Division—Davidson, Caswell in New Posts

A number of important changes in the western setup of the Firemen's group is announced this week.

H. J. Jeffery, heretofore Detroit manager for Commercial Casualty and Metropolitan Casualty, is being transferred to the western department headquarters in Chicago, in charge of the casualty and surety division. He has been elected a secretary of all the companies in the Firemen's group.

Succeeding Mr. Jeffery in Detroit is Hugh A. Davidson, who has been casualty manager in Minneapolis.

Austin B. Caswell, who has been with the David P. Jones agency and is president of the Minnesota Association of Insurance Agents, is taking charge of the entire operations of the Firemen's group in the twin cities of Minneapolis and St. Paul. This is a new setup in that location. Mr. Caswell has been prominent in agency association affairs for some time. Prior to going into the agency business he was connected with the inspection bureau.

Ingalls Has Been in Charge

The casualty division in the western department has been in general charge of Secretary E. A. Ingalls. He now takes charge of the automobile division, which includes the automobile writings of both the fire and casualty companies. The casualty and surety division under Mr. Jeffery will not be concerned with automobile matters.

Mr. Jeffery was formerly located in Chicago as manager for that city of Metropolitan Casualty. Prior to that he was with Aetna Casualty in Chicago. A group of friends gave a luncheon for Mr. Jeffery in Detroit the other day. They were principally members of the Surety Association of Michigan. On behalf of the assemblage he was presented with a desk set by D. D. Smith, prominent local agent. Mr. Jeffery is a past president of the Surety Association. The casualty and fire field men are giving a farewell party for Mr. Jeffery on Saturday.

Net Setup in Minnesota

Mr. Caswell will have the title of state agent and will be in charge of all the fire and casualty operations of the group in the Twin Cities. Hereafter Phillip Olson and E. C. Erland, who have been field men for the fire insurance operations only for Minnesota, including the Twin Cities, will confine their activity to Minnesota outside of the Twin Cities but they will have jurisdiction over casualty as well as fire affairs.

Firemen's is the only organization that is operating a full fledged combination fire-casualty western department. On April 1 the department is taking over the casualty jurisdiction of Missouri and on May 1 it takes over Minnesota. Then it will have casualty jurisdiction of 13 of the 18 states for which it is responsible in the fire end. Gradually the other five states will be taken over.

Vice-president H. A. Clark and his organization have been having a strenuous time digesting these new responsibilities and getting the machinery functioning smoothly.

Roy L. Davis, assistant Illinois insurance director, has been nominated for president of the McDowell Society and Allied Arts of Evanston, Ill., where he resides. He has been one of the most active members in this organization, which encourages artists of all kinds. He has served as treasurer for some years.

Business Now Being Written on Bureau Hospital Contract

Eight Companies Definitely Committed; Expect 25 in Field by May 1

NEW YORK—A number of companies are definitely committed to issuing the new hospitalization or sickness expense policies promulgated by the Bureau of Personal Accident & Health Underwriters and several of them, the Hartford Accident, Maryland Casualty and the Bankers Indemnity, have already placed some of the new business on the books. The Travelers, Aetna Life, Royal Indemnity, Eagle Indemnity, Globe Indemnity, General Accident, Employers Liability and American Employers are far enough along with their plans so they will be ready to issue business within a week or so. Quite a few carriers, however, are dubious about taking the plunge.

While the bureau has not given out any information as to what companies are taking up the new coverage, well informed casualty men believe that by May 1 some 25 companies will be issuing it. How many companies issue it will of course depend somewhat on whether the optimism of producers as to the saleability of the new contract is justified.

No Delays in Issuance

The impression has got around that there has been a series of delays in getting the new contract on the market. This has been due partly to the intense interest in it among producers and their eagerness to get going with it. Mostly, however, the appearance of delay has been due to the bureau companies' agreement, at the time the decision to go ahead with the hospitalization contract was reached, that no company would begin issuing policies before Feb. 1.

This was done not with the idea that companies generally would be lined up at the post waiting only for the Feb. 1 barrier to be removed so they could issue business, but merely so that no company would attempt to jump the gun and get into the field, say, by the middle of January and have an unfair lead over the others. Actually, it was expected that it would probably be around May 1 before any appreciable amount of business would be done.

No Trouble on Approvals

There has been no trouble in getting the new policies approved by the various state insurance departments, although there is a certain amount of formal procedure which takes time. While known as hospitalization insurance, the new coverage is actually a form of health insurance and not essentially different from what companies have been issuing for years.

Though the bureau got up three forms, known as 7, 8 and 9, all the companies have shied away from form 8 and no one appears to be even contemplating it. The premium on it would have to be so high as to make it unsaleable except to buyers having good reason to believe they could beat the company. Form 8 differs mainly in having no per-day expense limit, the only limitation being on the aggregate amount.

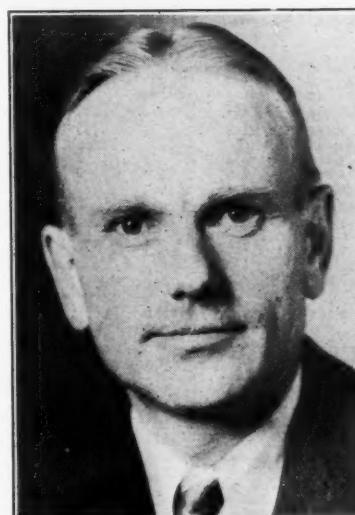
Forms 7 and 9 are much alike, the main difference being that the aggregate limit under form 7 is \$500 (or for a

Factors in Firemen's Group Changes



H. J. JEFFERY

H. J. Jeffery has been elected secretary of all the companies in the Firemen's group and has been placed in charge of the casualty and surety division in the western department in Chicago. He has been Detroit manager of Commercial Casualty and Metropolitan Casualty.



AUSTIN B. CASWELL

Austin B. Caswell, prominent local agent of Minneapolis, has accepted appointment as state agent of the Twin Cities operations of the Firemen's group, both fire and casualty. He is president of the Minnesota Association of Insurance Agents and last year was president of the Minneapolis Underwriters Association.

higher premium a limit ranging up to \$1,000) while the aggregate limit under form 9 is based on the number of days of hospitalization, the limit being 70 days. Form 9 also has a \$3 day provision for doctors' calls. Both forms are on a per-illness basis, whereas the usual non-profit hospital association plan is based on a limit of 21 or 30 days of hospitalization in any year. Incidentally, it should be borne in mind that the new contracts cover only the health hazard and will not be issued except to buyers having accident coverage with the company issuing the hospitalization contract.

Three weeks ago form 9, with the 70-day limit, seemed much more popular than form 7. However, since then sentiment has evened up so that right now they appear to be about equally popular.

Not to Rival Non-Profit Plans

The new policies will be issued to persons in the occupations eligible for accident reimbursement policies, that is, the A, B, C, D-star classifications. It is expected that agents and brokers will first tackle their policyholders who have accident insurance, either on the reimbursement or weekly indemnity basis and that next they will solicit those who would be prospects for accident insurance, linking up the new coverage to give complete hospitalization protection. It is not expected or intended that the new coverage shall compete with non-profit hospital associations. The majority of the non-profit forms cost around \$10 a year while with required accident insurance protection the total premium under the new bureau plan would be at least \$50. The bureau contracts are intended for the type of buyer who can well afford to self-insure for the relatively trifling limits provided by the non-profit plans but is interested in protection against a loss that would make a really severe dent in his bank account.

Seek Wide Spread

Most companies will issue as their basic hospitalization contract a policy providing up to \$5 a day for hospital room, up to \$5 a day for nursing either in the hospital or elsewhere; \$25 miscellaneous expense, such as operating room and anesthetics; and a schedule of sur-

(CONTINUED ON PAGE 23)

Company Men Will Soon Visit Chicago on Acquisition Cost

Casualty and Surety Officials Will Confer with Local People

NEW YORK — The week of April 9 has been suggested as the time for a meeting in Chicago, at which local and general agents, and branch managers in the city could discuss with E. J. Schofield, chairman of the casualty and the fidelity and surety acquisition cost conferences, and a committee of three from the two bodies, the regulation and administration of the two divisions of the business in Cook county. It may be that some of the people whose attendance at the conference is desirable will not have returned from the mid-year meeting of the National Association of Insurance Agents at Hollywood, Fla., on the date tentatively set, in which case a later date will be named.

Decision to hold a meeting in Chicago was reached by the special committee of executives of the two cost conferences, at a gathering here March 25, Mr. Schofield being empowered to select the three company men who will make the trip to Chicago with him. As yet his choice has not been made, though decision will be reached very shortly.

Statement as to Progress

It was stated that "these committees have, during the past weeks, devoted themselves to the time-consuming and pains-taking duty of analyzing and discussing every suggestion which has been presented to them concerning the subject of regulation of production cost in Cook county. Many of these subjects have required considerable research in order to determine the possible practical effect and certain subjects still await reports of facts and figures before any conclusions could possibly be reached.

"Up to the present time consideration by the committees had been confined to suggestions concerning classifications of agents or producers, the limitation of number or quota allowed for each classification and provisions for the administration and application of the rules. It is understood that the schedule of commission rates has not, up to now, been altered from existing levels.

"These special committees are not authorized to promulgate rules finally but are limited in their authority simply to the making of recommendations to the conference as a whole. In the last analysis the conference must, by a two-thirds vote, adopt any amendment to the existing rules before they can be applied or made effective.

"The committees adjourned without attempting to prepare any detailed recommendation to the conference, for the reason that investigations on certain questions are incomplete and for the further reason that the committees are anxious to receive all possible suggestions from the committees representing organizations of branch managers, agents and brokers in Cook county.

"The chairman of the conference, E. J. Schofield, was authorized to appoint a committee of three to accompany him to Chicago for the purpose of obtaining from the local organizations in Chicago any further suggestions they might have to make and for the further purpose of discussing with those local bodies and through their authorized committees, suggestions which have been made to

(CONTINUED ON PAGE 24)

CASUALTY NET PREMIUMS AND PAID LOSSES IN 1938 IN IOWA

	Total Prem. \$	Auto. Prem. \$	Liab. Losses \$	Other Liab. Prem. \$	Liab. Losses \$	Work. Prem. \$	Comp. Losses \$	Fidelity-Surety Prem. \$	Glass Losses \$	Burglary-Theft Prem. \$	Prop. D. & Coll. Prem. \$
	Prem. \$	Prem. \$	Losses \$	Prem. \$	Losses \$	Prem. \$	Losses \$	Prem. \$	Losses \$	Prem. \$	Losses \$
Ace Mut., Iowa	714	40	480	.....	.....	.....	.....	.....	.....	.....	234
Accident & Cas.	12,095	1,892	8,464	1,287	.....	.....	.....	.....	.....	.....	3,631
Aetna Cas.	250,539	71,720	55,907	19,348	29,753	4,483	43,120	15,805	68,796	19,594	23,664
Aetna Life	149,541	63,164	13	1	—161	57	191	24	.....	21,474	6,753
Allied Mut. Auto.	567,641	175,384	240,846	62,484	.....	.....	.....	.....	.....	2,376	225,956
Allstate Ins.	12,095	1,892	8,464	1,287	.....	.....	.....	.....	.....	.....	83,293
Amer. Auto	87,929	22,654	61,693	13,057	.....	.....	.....	.....	.....	.....	605
Amer. Cas.	3,287	1,120	1,977	872	41	196	.....	.....	.....	.....	9,597
Amer. Employ.	23,886	4,396	5,427	443	2,620	385	5,609	1,385	2,730	195	923
Amer. Farmers Mut.	116,484	19,244	69,154	12,645	.....	.....	.....	.....	.....	824	2,426
Amer. Mut. Liab.	219,135	71,948	13,349	1,578	10,482	1,650	182,933	66,508	1,195	23	34,660
Amer. Reins.	13,712	2,034	1,000	2,525	1,533	.....	5,136	.....	5,054	—491	5,948
Amer. States	478	260	256	.....	.....	.....	.....	.....	.....	282	1,173
Amer. Surety	220,291	31,444	7,606	4,476	4,751	175	2,549	149	187,882	24,107	2,295
Anchor Cas.	41,970	12,873	12,363	1,146	987	.....	15,775	6,949	.....	508	162
Arax Indem.	1,473	92	228	25	496	.....	658	67	.....	.....	30
Assoc. Indem.	706	2	51	.....	635	2	.....	.....	.....	.....	20
Bankers Indem.	5,488	2,334	2,114	1,623	310	.....	782	62	.....	138	182
Bituminous Cas.	329,529	165,670	.....	.....	15,349	335	310,589	165,165	.....	.....	1,874
Car & General	2,364	338	1,262	.....	107	.....	117	75	.....	7	559
Cas. Recip. Ex. Mo.	34,132	13,906	15,213	5,700	958	.....	11,992	4,953	.....	.....	262
Central State Mut.	87,221	28,182	28,663	11,530	.....	.....	.....	.....	.....	.....	6,118
Central Surety	113,524	34,693	16,830	3,992	10,270	4,449	38,577	18,105	28,043	530	41,031
Century Indem.	4,030	—1,459	2,107	—1,691	113	.....	417	139	648	.....	11,333
Columbi Cas.	14,715	7,730	1,348	27	2,060	589	2,637	478	3,504	804	9,023
Commercial Cas.	9,874	2,322	3,651	1,097	653	15	34	.....	920	1,073	1,176
Commercial Stand.	1,174	14	832	.....	.....	.....	.....	.....	.....	.....	432
Conn. Ind.	497	17	334	5	.....	.....	.....	.....	.....	.....	14
Consol. Und., Mo.	985	332	.....	.....	37	.....	948	332	.....	.....	163
Continental Cas.	333,364	104,821	29,293	3,452	19,173	3,821	31,142	17,573	45,513	6,408	4,644
Eagle Indem.	35,455	8,611	8,992	662	4,425	162	8,036	3,220	3,536	1,019	2,510
Economy Auto.	10,824	4,173	4,299	.....	.....	.....	.....	.....	.....	3,154	3,999
Employers Liab.	134,073	59,212	20,425	8,395	25,298	8,968	50,747	34,908	4,811	1	2,119
Employ. Mut. Cas.	1,220,019	461,563	256,581	7,821	61,096	10,787	62,179	29,318	.....	3,669	1,819
Employ. Mut. Liab.	228,502	89,110	18,435	9,780	19,187	313	175,229	75,801	.....	279	9
Employ. Reins.	135,400	37,273	95,020	25,472	6,290	.....	12,027	.....	6,824	250	53
European Gen. Reins.	78,400	23,191	16,712	6,065	3,461	.....	651	.....	30,554	8,287	12,125
Excess	14,460	2,617	10,621	2,617	1,934	.....	.....	1,767	.....	.....	1,594
Farm. Auto. Int.-Ins.	38,218	7,384	15,855	2,123	.....	.....	.....	.....	.....	.....	44
Farmers Mut. Hail.	205,320	109,819	86,241	53,257	.....	.....	.....	.....	.....	.....	16,119
Farm. Un. M. A. Ia.	165,440	40,435	66,969	21,159	.....	.....	.....	.....	.....	.....	80,937
Fidelity & Cas.	43,598	163,474	68,224	41,048	41,927	6,851	114,385	59,435	99,605	34,862	8,055
Fidelity & Deposit	146,198	56,294	.....	.....	.....	.....	.....	.....	139,527	55,736	482
Fireman's Fund Ind.	23,909	20,020	6,036	874	2,437	715	6,301	3,307	3,627	12,500	671
First Reins.	914	124	.....	.....	.....	.....	.....	.....	.....	.....	34
Freeport Motor Cas.	137,237	50,323	65,485	18,792	.....	.....	.....	.....	.....	.....	52,346
General Acci.	25,181	7,200	5,764	756	3,604	195	7,898	5,240	.....	330	42
General Cas. Wash.	23,609	5,955	15,454	3,321	436	46	.....	136	.....	321	263
General Cas. Wis.	24,714	5,933	11,408	3,106	.....	.....	3,867	.....	16,834	—3,142	81
Glens Falls Indem.	31,140	16,497	3,723	4,659	2,841	1,975	5,232	1,426	5,825	991	295
Globe Indem.	94,537	23,377	29,433	3,495	12,067	3,137	15,094	8,893	7,933	2,396	960
Great Amer. Indem.	39,373	14,445	7,855	3,011	4,524	510	7,566	1,408	10,259	5,768	1,233
Guar. of No. Amer.	1,785	190	.....	.....	.....	932	17,623	9,149	.....	1,785	190
Hdwe. Mut. Cas.	145,425	55,217	50,669	16,493	6,520	822	51,057	23,583	.....	3,050	1,935
Hartford Acci.	281,966	110,234	58,189	12,826	26,402	28,059	95,518	37,337	45,331	19,216	3,379
Hawkeye Cas.	566,684	239,521	261,741	128,333	2,334	12	14,410	4,308	.....	.....	.....
Home Indem.	12,869	2,070	6,072	418	1,268	100	.....	311	1,743	115	495
Home Mut. Ia.	347,834	152,690	.....	.....	.....	.....	.....	.....	.....	142	560
Hoosier Cas.	44,833	14,964	21,193	5,997	.....	.....	.....	.....	.....	.....	2,727
Illinois Cas.	58,918	29,907	28,620	17,873	.....	.....	.....	.....	.....	.....	98
Illinois Natl. Cas.	31,822	8,126	14,803	1,002	.....	.....	.....	.....	.....	.....	8,362
Indem. No. Amer.	70,896	11,067	18,905	4,564	9,295	155	5,871	1,928	13,818	—448	3,359
Inland Bonding	6,887	.....	.....	.....	.....	.....	.....	6,867	.....	1,782	10,037
Iowa Mut. Cas.	256,651	72,192	119,225	35,070	.....	.....	.....	.....	.....	.....	92,281
Iowa Mut. Liab.	802,912	306,645	215,212	66,516	26,369	5,358	287,554	131,824	.....	5,805	3,126
Le Mars Mut.	91,527	20,453	32,476	8,673	.....	.....	.....	.....	.....	502	172
Liberty Mut.	56,252	44,926	5,695	25,545	7,289	699	39,737	17,421	.....	.....	27,724
London & Lanc.	9,633	4,921	3,544	3,362	1,394	34	427	255	1,652	656	3,419
London Guar.	54,791	14,489	16,677	1,230	7,954	932	17,623	9,149	.....	534	1,222
Lumberg. Mut. Cas.	55,656	18,115	11,212	4,489	3,673	1,811	31,651	10,673	1,045	536	1,109
Mfrs. & Whlrs.	4,541	1,749	2,235	1,358	.....	.....	.....	.....	.....	110	3,419
Maryland Cas.	107,763	36,991	22,981	13,402	9,054	1,095	21,558	7,066	20,548	1,529	1,198
Mass. Bonding	215,865	73,736	17,441	9,004	9,341	1,638	15,944	4,792	123,309	40,075	3,899
Medical Protective	48,456	14,487	.....	.....	48,456	14,487	.....	.....	.....	536	1,078
Mercer Cas.	41,221	12,033	20,393	3,594	295	.....	.....	.....	.....	3,740	2,425
Merchants Indem.	6,451	1,007	6,165	945	.....	.....	.....	511	.....	255	307
Merch. Mut. Bond.	40,975	5,413	.....	.....	40,975	5,413	.....	1,905	1,223	695	55
Metropolitan Cas.	7,570	2,769	1,638	125	669	175	114	573	.....	238	198
Mid-American Cas.	1,519	370	.....	.....	.....	.....	.....	.....	.....	401	.....
Midland Mut. Assn.	54,423	16,500	20,057	3,641	.....	.....	.....	.....	.....	.....	23,912
Mid-West Cas. Ia.	128,244	46,087	17,975	5,611	1,321	422	.....	.....	.....	.....	6,987
Monarch Mut. Assn.	11,363	3,168	4,532	1,984	.....	.....	.....	.....	.....	4,801	429
Motor Carriers Mut.	49,665	13,346</									

REINSURANCE

EFFICIENCY
DEPENDS UPON
THE CAREFULLY
BUILT-TO-MEASURE
FEATURES OF
THE TREATY

ALWAYS PRESENT
IN CONTRACTS

WITH

KANSAS CITY
NEW YORK
CHICAGO
LOS ANGELES
SAN FRANCISCO

EMPLOYERS
REINSURANCE
CORPORATION

E. G. TRIMBLE, President
HOWARD FLAGG, Executive Vice President

	Total Prem.	Losses \$	Auto. Liab. Prem.	Losses \$	Other Liab. Prem.	Losses \$	Work Prem.	Comp. Losses \$	Fidelity-Surety Prem. Losses \$	Plate Glass Prem. Losses \$	Burglary-Theft Prem. Losses \$	Prop. D. & Col. Prem. Losses \$
Western Sur., S. D.	47,239	8,256	.....	.....	.....	.....	.....	47,239	8,256	.....	.....	.....
Yorkshire Indem.	4,636	.....	.....	.....	.....	.....	4,635	.....	.....	.....	.....	.....
Zurich	121,671	67,788	16,029	12,461	5,346	5,576	46,955	23,213	.....	223	217	2,452
Total, 1937	16,664,474	6,566,168	3,362,988	1,218,322	654,818	102,659	2,937,317	1,364,242	1,459,459	160,716	113,129	62,209
Total, 1938	17,022,659*	6,770,245*	3,664,340	1,348,975	639,288	151,079	2,878,282	1,312,803	1,519,507	336,115	120,696	57,201

*Includes total in classes shown in following tables.
Excludes fire and tornado.

Excludes transit and cargo.
Excludes fire, tornado and hail or growing crops.

Companies Writing Other Classes of Casualty Business in IOWA

ACCIDENT AND HEALTH, ALSO NON-CAN.

	Prem.	Losses
Aetna Life	149,497	\$ 63,081
Alliance Life	3,902	817
Amer. Employ.	1,341	118
Amer. Republic, Ia.	31,853	9,347
Amer. Savings Life	.....	.....
Anchor Cas.	164	80
Bankers Indem.	83	.....
Ben. Ry. Employ.	150,033	75,048
Business Men's Assur.	37,557	20,913
Central Surety	689	1,050
Century Indem.	70	25
Columbia Cas.	1,713	5,316
Columbia Mut. Life	10,211	3,986
Columbia Natl.	5,775	1,719
Commercial Cas.	1,455	75
Conn. Gen. Life	7,520	596
Continental Assur.	3,065	2,084
Continental Cas.	174,042	65,932
Craftsman	30,831	.....
Eagle Indem.	214	127
Employ. Liab. Assur.	9,312	2,880
Employ. Mut. Benefit	7,912	4,303
Employ. Mut. Cas.	14,265	1,091
Employ. Reins.	10,459	252
Equitable Life, N. Y.	20,527	9,880
European Gen. Re.	13,014	9,828
Federal Life & C.	4,521	852
Farmers Auto. Cal.	226	.....
Federal Life, Ill.	113,365	54,667
Fidelity & Cas.	18,298	5,395
Fireman's Fund	2,104	223
First Reins.	880	54
General Accident	3,571	491
General Amer. Life	4,925	512
General Reins. Corp.	6,475	2,567
Glens Falls Indem.	8,191	3,920

Prem., Losses

Globe Indem.	1,312	561
Great Amer. Indem.	2,707	1,041
Great Northern Life	45,476	14,539
Hartford Acci.	9,184	1,722
Hoosier Cas.	5,514	1,862
III. Bankers Life Assur.	10,038	3,602
Indem. of No. Amer.	1,146	17
Interstate Bus. Men's	63,212	38,043
Iowa State Trav. Men's	697,137#	559,9615
John Hancock	5,408	1,452
London Guar.	1,582	450
Lond. & Lanc. Ind. of Am.	80	.....
Loyal Prot.	22,644	10,625
Lumber. Mut. Cas.	416	35
Maryland Cas.	11,261	5,862
Mass. Bonding	29,067	12,414
Mass. Indem.	873	202
Mass. Protect.	285,532	156,290
Mercer Cas.	53	.....
Metropolitan Cas.	1,796	990
Metropolitan Life	92,013	59,326
Midwest Life	4,269	1,761
Mid-Western Cas.	50,385	22,763
Monarch Life	65,065	35,228
Mut. Ben. H. & A. Assn.	453,498	209,136
Nat'l. Acci. Assn.	24,527	6,441
Natl. Casualty	9,415	5,231
National Travelers	103,947	51,570
New Amsterdam	487	160
No. Amer. Acci.	86,798	27,918
Occidental Life	5,996	2,748
Ocean Acci.	3,308	710
Ohio Casualty	1,177	1,186
Ohio State Life	60	.....
Old Line, Wis.	787	43#
Pacific Mutual	79,726	70,952
Paul Revere Life	42,110	15,418

Prem., Losses

Phoenix Ind.	894	332
Pioneer Natl. Cas.	30,575	15,666
Policyholders Mut. Cas.	6,262	2,624
Preferred Acci.	26,502	15,344
Prov. L. & A.	69,923	24,697
Prudential	19,493	7,277
Reliance Life	2,688	962
Royal Indem.	900	239
St. Paul Merc. Ind.	579	.....
Security Mut. Cas.	3	.....
Sentinel Hospital	31,247	16,134
Standard Acci.	6,246	914
State Farm Life	3,634	1,897
Sun Indem.	2,405	2,255
Travelers	345,692	144,633
Travelers Mut. Cas.	.....	.....
United Benefit	1,492	672
Utilities	296	45
U. S. Cas.	1,568	281
U. S. F. & G.	11,457	2,989
Wash. National	240,067	109,101
Woodmen Acci.	75,311	46,270
Zurich	43,695	19,151

†Total nationwide writings.

STEAM BOILER, ENGINE AND MACHINERY

Aetna Cas.	.....	\$ 298	\$ 34
Maryland Cas.	.....	476	.....
Total, 1938	.....	\$ 774	\$ 34
Total, 1937	.....	1,287	38

Amer. Credit Indem.	.....	\$ 11,625	\$ 1,934
Total, 1938	.....	\$ 11,625	\$ 1,934
Total, 1937	.....	17,617	1,162

Hartford Live Stock	.....	\$ 73,199	\$ 25,814
Total, 1938	.....	\$ 73,199	\$ 25,814
Total, 1937	.....	9,161	2,904

PREMIS. LOSSES

Excess	93	.....	.....
Fidelity & Cas.	28,433	2,362	.....
General Acci.	557	.....	.....
General Reins. Corp.	294	.....	.....
Globe Indem.	757	.....	.....
Hartford St. B.	69,501	8,332	.....
London Guar.	2,497	21	.....
Lumbermen's Mut. Cas.	1,692	22	.....
Maryland Cas.	4,549	376	.....
Ocean Accident	8,798	3,238	.....
Phoenix Indem.	770	34	.....
Royal Indem.	759	.....	.....
Security Mut. Cas.	118	.....	.....
Standard Acci.	2,987	.....	.....
Travelers Indem.	23,434	425	.....

pices of the St. Louis Accident & Health Association. George L. Dyer, Jr., Columbian National Life, is chairman.

F. X. Cull, Cleveland insurance attorney, will address the **Cleveland Accident & Health Association** April 4.

About 25 representatives of the **Massachusetts Protective** attended a meeting in St. Paul in charge of J. F. Adkins, Minneapolis, state agent.

PERSONALS

President **George H. Reaney** of the United States Guarantee was in Los Angeles over the week end, visiting Rathbone, King & Seeley, general agents there.

It took an automobile accident to make public the wedding of **J. M. Collins**, special agent Preferred Accident, Columbus, O. Mr. and Mrs. Collins, who were married in Greenup, Ky., were forced from the road and into a river near Huntington, W. Va., and in the attendant publicity their secret leaked out.

E. M. Ward, Portland, Oregon manager of the Business Men's Assurance, celebrated his 20th year with the company. The Oregon salesman put on a special drive for new business, which far exceeded that of March, 1938. In attendance at the meeting was J. P. Baldwin, vice president and California manager, who was recently given supervision over all of the Pacific Coast.

Westchester County \$50,000 Verdict

NEW YORK—Mrs. T. H. Semon of White Plains was awarded a verdict for \$50,000 by the supreme court some days ago, in her action to recover from Jacques Furst of this city, for injuries suffered in an automobile accident, Aug. 21, 1936. The verdict was the largest granted in Westchester county in a damage case for many years.

Tells Physicians' Side

Stanley Cochems, executive secretary Los Angeles County Medical Society, told the Accident & Health Managers Club of Los Angeles the physicians' side of the threatened compulsory insur-

An erroneous impression was given in a recent article referring to a decision of the federal court at San Antonio to the effect that a trailer, when detached from an automobile, becomes a building. The impression was given that E. R. Thomas had been insured under a regular life policy in Aetna Life with a double indemnity clause and that Aetna Life had paid the life claim but contested the accidental portion.

As a matter of fact the policy involved was a regular commercial accident contract for \$15,000. The policy contained a provision that in the event death resulted

Ministers Life & Casualty Union of Minneapolis had an increase in assets of \$300,000 during 1938 and the figure is now \$2,235,494. Policies in force number 35,082, an increase. Surplus totals \$400,000. Mortality experience was 30.8 percent in the life department and casualty claims paid decreased to \$278,836.

Farrell St. Louis Speaker

ST. LOUIS — L. K. Farrell, assistant secretary Metropolitan Life, will speak at the Accident & Health Insurance Week breakfast April 25, under the aus-

New Non-Ownership Classifications

(CONTINUED FROM PAGE 15)

he operate an automobile not owned by himself in his business.

The named operator policy is amended to cover the interest of any person or organization responsible for the operation of the automobile, except the owner of the automobile. This brings the operator's policy into line with both the broad and the limited drive other cars coverage. Previously the operator's policy had covered the interest of the named assured only and there had been complaints that omnibus coverage had not been added to this contract when it was added to the drive other cars endorsements about three years ago.

Minor changes have been made in the rules for covering transportation of employees and fellow-employees. Where a commercial car used for this purpose is owned by the employer, with the passenger hazard included, and no fare charged, the new rate is 25 percent over the commercial car rate for bodily injury liability and the commercial car rate for property damage liability. Formerly, commercial cars used in this manner took the same rate as buses—the private livery rate for bodily injury liability and the commercial car rate for property damage. Where the employers cars are used and a fare is charged, the rate for private passenger cars is 10 percent over the private passenger rate for bodily injury liability with no increase for property damage. The old rate for this was the private livery rates. Commercial cars under these conditions take the commercial rate plus 50 percent for bodily injury liability and no increase over the commercial rate for property damage.

For transportation of fellow-employees in commercial cars, with no fare charged, the rate is the commercial car rate when eight or fewer persons are carried and 25 percent over the commercial car rate when over eight are transported. Formerly the dividing point was five passengers and the increase over the commercial rate was 50 percent. Where a fare is charged, regardless of the number of fellow-employees carried, the new rate is the commercial rate plus 50 percent for bodily injury liability and the commercial rate for property damage.

New Safe Driver Reward Rule

Private passenger automobiles written with permission for occasional livery use are now under the safe driver reward plan. A slight change has been made in the definition of a claim which will deny the assured the refund under this plan. The old expression "occurrence of an incident requiring evidence of financial responsibility" has been changed to read "conviction of an offense" so requiring this evidence.

The rules for suspension of coverage during the winter season have been changed so that the order for reinstatement when the car is put back into operation need not be in writing.

Extension on Public Automobiles

The additional interests clause has also been extended for certain types of automobile risks. Coverage may now be provided without additional charge for the liability of employees of the owner of a public automobile, provided the owner is a named assured, while the employees are engaged in the operation or use of the automobile in the assured's business, with his permission. Policies on camps, country clubs, golf clubs, cemetery and hotel buses of the private passenger type may now cover any person using the automobile with the assured's permission or responsible for its use.

A new rule in the commercial automobile section states that policies issued to commercial or contract haulers must not cover other such haulers, unless they are under the same financial control or ownership and the entire operations of both organizations are insured.

The premium for bus or commercial

type automobiles used as school buses has been changed to the premium for an X car plus 10 percent. Formerly it was the premium for a Y car.

In the garage liability section, the minimum premium for automobile repair shops which do not sell new or used automobiles or motorcycles has been reduced to 40 percent of the dealer and repair shop minimum premiums. Rates remain unchanged. Formerly all garages classed as dealers or repair shops took the same premium. The provisional and final premium for open air parking lots was changed to 50 percent of the premium developed by application of storage garage rates to the assured's payroll plus the O. L. & T. premium for premises covered.

For covering a garage against liability for collision damage to automobiles of customers, with a \$100 deductible, the new charge is 50 percent of the garage property damage rate, with a minimum premium of 50 percent of the property damage minimum premium. Formerly the full property damage minimum premium was charged. Storage garages and service stations now take the dealer or repair shop property damage rate for this coverage, with the same minimum premium. The old premium was 150 percent of the dealers property damage minimum premium.

In the funeral directors section, the

rate for private passenger type automobiles owned by the director and used in processions has been changed to 50 percent of the private livery rates with a minimum premium equal to the Y rate for bodily injury liability and the Y rate for property damage. Formerly 50 percent of the private livery rate was also charged for property damage cover.

Compulsory Bills and Bar Issue Up at Los Angeles

Compulsory automobile insurance bills before the California legislature and the attorney-adjuster were discussed at the Casualty Adjusters Association's meeting. President W. B. Cleves read the report of the advisory committee which opposed compulsory laws and recommended a safety responsibility law as most suitable for California. W. L. Tubbs, Santa Ana, reviewed the compulsory bills.

President Cleves reviewed the attorney-adjuster situation and said that the California State Bar Association is anxious to have a treaty negotiated and in force before the American Bar Association holds its session here in June, at which time the national agreement is likely to come up again. The state bar refuses to be bound by the action of

the A. B. A. and will act independently. He said that insurance company officials are becoming more interested in the matter, and that in all probability a number of them will be here from the East to attend the A. B. A. meeting.

The annual picnic will be held in Whiting Woods, and the date was fixed tentatively as May 6.

Auto-Owners Has Annual Roundup

Auto-Owners of Lansing, Mich., held its annual agency convention at Lansing with 950 producers and their wives and 150 home office representatives attending. Arrangements were in charge of I. W. York, superintendent of agents. President V. V. Moulton gave the annual report and presided at the banquet. The second day was given over to individual conferences. The company's goal is \$3,000,000 in premiums in 1939.

New Mexico Casualty Totals

Casualty and surety premiums in New Mexico totaled \$2,127,533 in 1938, compared to \$2,313,916 in 1937, according to a report by Insurance Superintendent Biel. Losses in 1938 totaled \$847,246 and \$724,417 in 1937.

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BOSTON, MASSACHUSETTS

T. J. FALVEY, President



MASSACHUSETTS BONDING AND INSURANCE COMPANY

FINANCIAL STATEMENT

DECEMBER 31, 1938

ASSETS

Cash in Banks and Offices	\$ 1,213,826.69
United States Government Bonds	1,277,628.36
State and Municipal Bonds	963,292.80
Public Utility, Railroad and Other Bonds	4,812,373.65
Stocks	5,992,708.00
Real Estate (Home Office and New York Office Buildings)	3,321,366.00
Collateral Loans	160,430.92
Premiums in Course of Collection (none over 90 days)	2,738,215.96
Accrued Interest	86,187.74
Deposit with Workmen's Compensation Reinsurance Bureau	225,416.54
Other Admitted Assets	268,665.65
Total Admitted Assets	\$21,060,112.31

LIABILITIES

Reserve for Claims	\$ 8,540,753.27
Reserve for Unearned Premiums	5,218,588.94
Reserve for Accrued Taxes Payable in 1939	549,037.99
Reserve for Commissions on Outstanding Premiums	548,817.75
Reserve for Other Liabilities	174,287.52
Total Liabilities except Capital	\$15,031,485.47

RESERVE FOR CONTINGENCIES	\$1,000,000.00
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CAPITAL SURPLUS	\$2,000,000.00
Total	3,028,626.84

SURPLUS TO POLICYHOLDERS	5,028,626.84
Total	\$21,060,112.31

Bonds in the amount of \$823,126.82 amortized value are deposited with various States as required by law.

As prescribed by Insurance Department regulations, all bonds eligible for amortization are so valued in this statement. Bonds not eligible for amortization, bonds in default, and all stocks are carried at December 31, 1938, market values.

Transacts business throughout the United States, writing
FIDELITY, SURETY and FORGERY BONDS and ALL KINDS of CASUALTY INSURANCE

CASUALTY NET PREMIUMS AND PAID LOSSES IN 1938 IN VIRGINIA

	Total	Auto.	Liab.	Other Liab.	Work.	Comp.	Fidelity-Surety	Plate	Glass	Burglary-Theft	Prop. D. & Coll.
	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Aetna Cas.	562,361	186,216	176,306	68,074	34,292	19,161	115,310	45,263	98,476	15,747	7,137
Aetna Life	183,624	111,008	281	—	—	—	100	9,169	—	—	—
All State Ins., Ill.	29,059	10,058	23,222	7,489	—	—	—	—	—	—	—
Amer. Auto	20,830	10,243	16,394	7,238	—	—	—	—	—	—	—
Amer. Cas.	7,579	949	1,704	—	1,118	—	1,319	5	—	264	957
Amer. Empl.	72,095	29,812	30,918	16,013	4,100	217	19,008	8,958	2,403	151	1,461
Amer. F. & Cas.	38,653	26,450	31,139	22,986	—	—	—	—	—	—	—
Amer. Indem.	7,913	9,873	6,394	6,629	—	—	—	7	—	—	—
Amer. Motorist	126,896	41,571	77,228	25,311	3,421	591	18,420	3,917	832	—	—
Amer. Mut. Liab.	425,625	218,639	66,815	34,512	18,124	753	317,343	175,059	334	—	134
Amer. Policy Holders.	1,655	269	—	—	1,234	49	—	—	—	—	—
Amer. Surety Co.	94,403	15,924	14,359	18,814	1,397	79	1,526	197	70,108	—	534
Ass'd Indem.	2,711	8,935	111	8,845	1,964	4	565	—	13	—	24
Bankers Indem.	23,034	9,413	10,086	1,367	1,577	5,000	7,207	1,958	—	61	—
Bituminous Cas.	183,880	94,412	4,622	60	—	—	182,144	94,329	—	—	—
Car & Gen. Ins. Corp.	26,186	7,067	12,223	4,048	2,985	236	4,267	448	—	—	3,226
Cas. Recip. Exch.	38,987	15,271	14,964	4,459	—	15	576	17,860	6,955	—	—
Celina Mut. Liab.	6,360	123	4,896	5	—	—	—	—	—	—	—
Cent. Surety	9,454	2,410	2,903	472	58	—	—	—	1,518	96	3,688
Cent. Indem.	167,511	54,377	85,137	24,316	7,090	2,044	23,795	10,411	12,340	1,332	3,268
Columbia Cas.	32,492	7,497	3,217	1,676	3,416	401	6,466	2,132	8,173	603	696
Commercial Cas.	105,837	46,253	13,680	7,285	1,490	211	1,388	1,381	1,385	455	1,750
Consol. Underwrit.	18,577	19,680	2,775	10,130	109	592	14,475	8,906	—	—	—
Continental Cas.	141,122	69,127	26,598	19,449	5,373	856	6,029	3,549	6,539	604	643
Eagle Indem.	53,162	28,492	15,989	19,844	2,435	58	3,422	2,466	1,960	388	422
Employ. Liab.	341,465	100,012	91,279	24,884	44,356	8,996	150,586	49,158	—	—	2,830
Employ. Reins.	33,570	11,711	18,447	11,183	783	—	2,210	—	8,533	—	—
Excess Ins. of Amer.	3,607	4,500	609	4,500	—	—	—	—	—	28	—
Fact. M. Liab. of Am.	14,559	4,605	—	—	9,896	2,459	18	—	—	—	—
Farm. Bu. Mut. Auto.	136,369	61,730	85,454	37,719	—	—	—	—	—	—	—
Fidel. & Cas. of N. Y.	502,861	147,711	156,835	37,545	38,519	9,989	118,528	55,137	97,572	9,276	8,321
Fidel. & Dep. of Md.	186,519	64,920	—	—	—	—	—	176,276	64,271	916	9,327
Fireman's Fd. Indem.	17,731	7,451	2,805	4,164	1,089	19	1,338	832	5,605	—	270
Gen. Acc. F. & L. Ass.	111,540	45,701	35,309	24,117	10,108	961	16,934	6,651	—	2,653	681
Gen. Reins.	130,824	27,914	103,958	12,218	3,670	—	2,507	15,415	11,532	40	1,389
Glens Falls Indem.	84,574	36,539	25,347	24,203	4,658	306	17,414	4,834	14,115	460	1,355
Globe Indem.	169,512	63,531	65,272	25,824	13,778	1,369	33,220	16,352	21,570	7,751	2,378
Great Amer. Indem.	90,116	25,885	41,806	9,757	6,577	408	12,381	7,973	8,864	116	3,686
Guar. of No. Amer.	8,447	524	—	—	—	—	—	—	8,447	524	—
Hardware Mut. Cas.	55,851	28,358	37,762	20,624	1,675	31	—	—	—	—	2,151
Harleysville Mut. Cas.	133,751	42,932	99,192	30,264	—	—	—	—	—	—	1,267
Htd. Acc. & Indem.	288,233	76,742	81,998	24,293	23,716	6,855	86,551	28,435	50,362	1,248	1,778
Home Indem.	31,602	11,391	21,577	6,081	540	225	—	—	1,160	—	773
Indem. of N. A.	277,182	98,192	99,202	44,652	19,464	1,812	37,263	24,979	27,888	—	7,243
Keystone Aut. Cl. Cas.	9,996	3,206	7,035	1,590	—	—	—	—	—	—	—
Liberty Mut.	789,693	314,694	95,398	28,444	36,185	9,299	612,378	257,181	10,976	2,084	611
London Guar. & Acc.	38,629	27,940	11,115	13,712	4,170	2,427	9,188	5,253	214	1,048	1,394
Lond. & Lanc. Indem.	64,841	19,052	27,419	7,076	7,373	892	4,724	1,839	755	138	1,132
Lumberm. Mut. Cas.	54,886	188,256	296,171	91,424	20,649	214	118,454	42,791	120	—	3,115
Lumber. Mut. Cas.	17,925	5,166	—	—	207	1,000	14,880	3,956	—	—	785
Mfrs. Cas.	26,454	2,474	16,481	1,832	962	—	2,235	241	—	823	59
Maryland Cas.	514,109	192,895	161,654	57,149	34,535	15,559	122,758	74,924	80,969	—	640
Mass. Bonding	190,864	48,989	69,306	17,958	6,759	625	35,892	12,202	28,815	2,479	2,646
Metrop. Cas.	88,990	29,155	25,403	8,288	3,568	589	19,858	7,118	2,008	297	2,694
Natl. Cas.	37,782	14,364	1,752	1,269	215	12	856	712	3,185	—	84
Natl. Surety	232,462	20,782	—	—	—	—	—	206,194	15,977	603	52
New Amster. Cas.	264,178	114,582	64,418	41,069	20,255	8,076	76,552	39,509	67,092	10,360	1,597
New York Cas.	15,000	6,270	5,424	4,247	394	—	—	—	5,428	152	1,821
Norwich Un. Indem.	9,857	394	5,192	—	842	—	952	102	—	30	—
Ocean Acci. & Guar.	132,260	27,449	17,708	9,155	4,499	4,860	23,688	8,005	5,630	—	1,285
Ohio Cas.	6,000	875	1,479	—	178	—	20	—	1,411	—	—
Penn. Indem.	13,912	2,371	10,345	712	82	—	—	—	70	—	129
Phoenix Indem.	52,947	22,603	21,413	6,936	8,441	5,150	10,414	5,549	—	2,538	1,354
Royal Indem.	159,826	59,180	59,235	23,193	14,654	1,334	37,518	17,539	14,992	854	1,987
Seaboard Surety	33,637	552	—	—	—	—	—	33,637	552	—	—
St. Paul Mer. Indem.	64,312	27,281	30,678	18,095	6,127	623	10,904	2,933	1,655	—	108
Secur. Mut. Cas.	8,365	1,928	1,746	626	—	—	—	—	—	6,422	2,940
Shelby M. P. G. & Cas.	96,199	41,295	65,671	27,880	1,745	75	—	—	—	1,884	691
Standard Acci.	103,184	31,429	22,281	5,716	8,046	390	34,214	14,797	22,454	2,098	1,750
Standard Sur. & Cas.	8,288	27,485	5,547	11,930	47	—	389	2,034	423	12,500	56
State Auto Mut.	54	138	—	—	—	—	—	—	—	—	18
State Farm M. Auto.	599,106	306,485	379,838	190,075	—	—	—	—	—	—	—
Sun Indem.	16,284	14,622	6,637	6,286	1,162	229	4,559	5,862	439	205	—
Travelers Indem.	245,691	91,182	9	—	8,973	346	—	—	—	16,535	7,671
Travelers Ins.	1,022,769	437,225	421,274	172,499	98,837	44,094	312,761	145,417	—	—	47,256
U. S. Cas.	121,181	47,511	16,311	5,915	18,832	6,607	57,066	25,624	9,240	875	488
U. S. Fid. & Guar.	668,149	205,989	154,222	78,284	43,425	6,921	120,151	72,628	165,739	22,377	7,244
U. S. Guar.	80,329	16,639	20,006	9,324	6,139	959	—	—	41,844	844	1,541
Utica Mut.	78,542	18,644	48,273	6,927	1,374	10	15,374	5,973	—	38	—
Virginia Auto Mut.	203,906	59,447	139,332	39,198	32	—	—	—	—	5	—
Yorkshire Indem.	3,000	84	—	—							

Now Writing New Hospital Contract

(CONTINUED FROM PAGE 17)

gical benefits ranging from \$5 up to \$100 depending on the type of operation.

On the other hand, the Hartford Accident is issuing as its basic policy the same coverage without the surgical benefits in order to offer a low price and obtain a wide spread of risks. There is a general feeling that the price should be kept low and the distribution should be wide in order to avoid adverse selection. At the same time, at least one other company will write its basic policy to include the medical care feature which other companies will cover by endorsement.

Rates set by the bureau call for one schedule for ages 18-49 and higher rate for ages 50-59. Women are charged a higher rate than men. There are two classifications for women. The first covers all cases except those involving pregnancy, childbirth or miscarriage. The second excludes also all cases involving the female generative organs.

Rates Are Given

Rates on form 7, \$500 limit: males, 18-49, \$20; 50-59, \$27.50. Females, 18-49, \$32 and \$25; 50-59, \$44 and \$34.50. \$1,000 limit: males, 18-49, \$27.50; 50-59, \$37.50. Females, 18-49, \$44 and \$35; 50-59, \$60 and \$47.

Rates on form 9, 70-day limit: males, 18-49, \$21.50; 50-59, \$29.55. Females, 18-49, \$34.40 and \$26.90; 50-59, \$47.30 and \$36.95. Some companies will not issue the more restricted form of female coverage.

Form 7 without the schedule of surgical benefits, still retaining the \$500 limit, costs \$16 at the younger ages for men and \$22 at the older. For women, on the more liberal plan available to women, the rates are \$25.60 and \$35.20 at the younger and older ages respectively.

The introduction of the new sickness expense allowance or hospitalization policies is providing a good opportunity for increasing accident premiums in

general. In proposing to policyholders that they add the sickness expense plan, the agent has a good opportunity to review the policyholder's entire accident insurance setup and increase the weekly indemnity limits, if desirable, so that they are more commensurate with the policyholder's earnings. Policyholders with limited forms such as the popular automobile policies, can be sold higher limits in order to qualify for the new hospitalization cover.

Physicians' Calls Extra

The distinction between the surgical scale of benefits and the coverage for doctor's visits while in the hospital should be noted. The former is included in the basic rate, except in the case of the Hartford Accident and possibly other companies yet to be heard from. Like the indemnity for nurse's services, it applies not only in the hospital but anywhere else. For example, a man might go to a doctor's office and have his tonsils removed there.

Doctor's visits, on the other hand, are covered only during hospital confinement. An extra premium above the basic rate is charged, although as previously mentioned, at least one company will write its policy at a rate which will include this coverage, omitting it where it is not desired and reducing the premium accordingly.

Premium Increased Pro-Rata

The accompanying chart gives the rates for the various coverages and ages on form 7 and form 9. Rates for the same policies but with higher indemnities—\$6 or \$7 a day for hospital, similar amounts for nursing and correspondingly higher limits for surgical benefits, miscellaneous and (in the case of form 7) total amount of coverage per illness—are not shown but to ascertain them it is only necessary to pro-rate the premium shown, adding 20 percent for the \$6 basis and 40 percent for the \$7 basis. In the rates shown for form 7, "increased limits" refers only to the limit per illness which is to be increased above the \$500 (or \$600 or \$700 if the \$6 or \$7 basis is used) limit.

The Aetna Life's sickness expense policy is form 9, but differs from standard

BUREAU HOSPITALIZATION POLICY RATES

FORM 7

	Male		Female		Regular Ages 18-49	Restricted Ages 50-59
	Ages 18-49	Ages 50-59	Ages 18-49	Ages 50-59		
Basic policy—\$500 limit per illness; \$5 a day hospital; \$5 a day nurse; \$25 misc.; \$5 to \$100 surgical scale.....	\$20.00	\$27.50	\$32.00	\$44.00	\$25.00	\$34.50
Increased limits: for each \$100 above \$500, extra prem. is.....	1.50	2.00	2.40	3.20	2.00	2.50
Same policy without surgical scale.....	16.00	22.00	25.60	35.20	...	...
Increased limits: for each \$100 above \$500, extra prem. is.....	1.20	1.60	1.90	2.55	...	...
Extra prem. covering doctor's visits in hospital.....	4.50	6.20	7.20	9.90	5.65	7.75

FORM 9

Basic policy—limit 70 days per illness; \$5 a day hospital; \$5 a day nurse; \$25 misc.; \$5 to \$100 surgical scale.....	\$21.50	\$29.55	\$34.40	\$47.30	\$26.90	\$36.95
Same, without surgical scale.....	17.00	23.35	27.20	37.40
Extra prem. covering doctor's visits in hospital.....	5.00	6.80	7.90	10.90	6.25	8.50

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ASSURANCE CORPORATION, Ltd.

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PHILADELPHIA

AMERICAN RE-INSURANCE CO.

Robert C. Ream, President

99 John Street New York

DECEMBER 31st, 1938

CAPITAL	\$ 2,000,000.00
Surplus	4,547,338.93
Voluntary Catastrophe Reserve	500,000.00
Reserve for Losses	4,574,742.68
All Other Liabilities	2,129,434.74
TOTAL ADMITTED ASSETS	13,751,516.35

NOTE: Securities carried at \$364,875.00 in the above statement are deposited as required by law.

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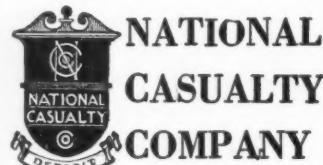
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bureau plan in that \$3 a day for doctors' visits while in the hospital are included in the basic policy at a correspondingly higher premium, whereas the usual practice will be to issue the policy without that indemnity and add it by endorsement at an extra premium where it is desired. For those who do not wish the doctors' visits indemnity, the Aetna will write the standard policy at a correspondingly reduced premium. As with all companies issuing the bureau hospitalization policy, blanket medical expense or full coverage accident insurance must be carried with the company issuing the sickness contract.

Company Men Will Soon Visit Chicago

(CONTINUED FROM PAGE 17)

the committees of executives from other sources.

"After the Chicago conference the committee of executives will then be able to formulate recommendations to submit to the conference as a whole for their consideration. Every effort is being made to consider the viewpoint of every type of company and every type of producer in order that the rules may be made as practical and as workable as possible and at the same time accomplish the necessary reasonable regulation. Obviously, therefore, the special committees will not reach final conclusions until an opportunity has been given to present all possible suggestions and conclusions from all sources."

Palmer Visits New York

Ernest Palmer, Illinois director of insurance, is in New York this week and it is thought will confer with some of the casualty and surety leaders regarding the situation particularly in Chicago and in the state on acquisition cost. Director Palmer evidently desires to clamp

Leading Casualty Companies in Iowa, 1938

	1938	1937	1936	1935
(1) Employers Mut. Cas.	\$1,220,019	\$1,087,897	\$1,015,206	\$889,090
(2) Iowa Mut. Liab.	802,912	783,868	572,830	476,423
(3) State Auto. Assn., Ia.	655,725	682,112	652,531	596,161
(4) Allied Mut. Auto.	567,641	490,276	378,521	301,947
(5) Hawkeye Cas.	566,684	482,151	433,705	385,419
(6) State Farm Mut., Ill.	563,387	480,135	398,366	341,401
(7) Travelers	540,094	528,253	518,080	455,969
Travelers Indem.	217,139	190,185	155,112	156,577
(8) Fidelity & Cas.	433,598	462,074	417,429	416,483
(9) U. S. F. & G.	416,481	452,426	405,508	475,052
(10) Home Mut., Ia.	347,834	402,961	401,093	450,323

down on the companies so far as acquisition cost is concerned. The question arises as to his legal authority. However, with the moral support of the department and it being inclined to stretch every point possible, the companies hope to get their machinery in better shape.

After the company committee confers with the Chicago local committee and digests any recommendations they make another meeting will be held and then recommendations will be made to the conference as a whole. Some companies are insisting on only two units being allowed in Chicago while others insist on three. There is also a difference of opinion as to regional agents. Some urge that regional commissions be paid only to those directly attached to an office. All hands agree that there should be an arbitrator.

CHICAGO COMMITTEES NAMED

President, E. I. Fiery of the Chicago Casualty Managers Association and P. O. Olstad, Continental Casualty, president Chicago Surety Underwriter Association received official communication from Chairman Schofield announcing the coming visit and asking that committees be appointed to meet with the company committees. President Olstad announced that the executive committee will be the conference committee of his organization, consisting of W. H. Hansmann, Fidelity & Deposit; A. A. Korte, W. A. Alexander & Co.; L. E. Knapp, Great American Indemnity; J. P. Keevers, Maryland Casualty; R. E. Hall, National Surety; J. L. Maeble, American Surety; W. L. Wallace, Hartford Accident. Mr. Olstad is a member of the committee ex-officio.

President Fiery has appointed as the casualty committee, H. N. Douglass, New Amsterdam Casualty; G. H. Moloney, Hartford Accident; W. O. Schilling, U. S. Fidelity & Guaranty; James White, Travelers; John Pabst, Fireman's Fund Indemnity; V. H. Bartholomew, Standard Accident. Mr. Fiery will serve ex-officio.

U. S. Casualty Chicago Changes

Two appointments in the Chicago branch office of the United States Casualty have been made by E. L. Stephenson, resident vice-president. Miss Phyllis Miller becomes superintendent of the fidelity and surety department, filling the vacancy caused by the death recently of Miss Pearl Pingle. B. Stuart Weyforth was appointed special agent in downstate Illinois. Miss Miller has been connected with the National Surety in Chicago for five years as a bond underwriter. Mr. Welforth for the last year and a half has been with the American Casualty in Chicago. Before that for four years he was connected with the U. S. F. & G. He succeeds James F. Kelly, who resigned to return to Oregon where he formerly operated a local agency. Mr. Kelly has been with the U. S. Casualty a year and has a splendid record. He was guest of Mr. Stephenson at a party of the staff, being presented a Gladstone bag in their behalf.

Pennsylvania Casualty Results

In printing the casualty experience for 1938 in Pennsylvania the National Underwriter was furnished incorrect figures for Pennsylvania Casualty. Its total Pennsylvania premiums were \$784,155 and losses \$300,774. Auto liability pre-

Corrections Indicated in New York Casualty Table

Those who studied the casualty experience table for New York state that was published in THE NATIONAL UNDERWRITER, March 9, discovered that some allowance had to be made in reading across the page. This was due to the fact that two extra lines were inserted, by mistake, beginning with the workmen's compensation losses and running in a right hand direction. These were blank lines. The first one appears in the line pertaining to American Employers. The reader should ignore that line and attach the portion for American Employers beginning \$105,764 to the portion ending \$274,230. From that point down, a similar justification of lines must be made to get the correct figures. Then there is another extra line in the same relative position that distorts the Employers Re-insurance figures. The portion of the line commencing \$61,366 should be attached to the portion ending \$51,700 and similar justifications made until the line for Lumber Mutual of New York is reached. From then on the table lines up correctly.

miums were \$496,125 and losses \$171,295; auto P. D. premiums \$217,912 and losses \$98,423. This changes the total casualty writings in Pennsylvania to \$93,877,336 and losses \$33,363,002.

The Ohio Association of Casualty & Surety Managers will meet in Columbus April 4.

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WANTED

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ADDRESS J-81, NATIONAL UNDERWRITER

WANTED

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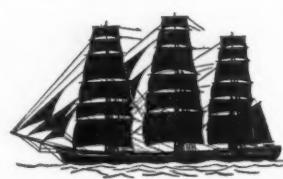
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CASUALTY NET PREMIUMS AND PAID LOSSES IN 1938 IN WISCONSIN

	Total Prem. \$	Losses \$	Auto. Liab. Prem. \$	Losses \$	Other Liab. Prem. \$	Losses \$	Work. Comp. Prem. \$	Losses \$	Fidelity-Surety Prem. \$	Losses \$	Plate Glass Prem. \$	Losses \$	Burglary-Theft Prem. \$	Losses \$	Prop. D. & Col. Prem. \$	Losses \$	
Accl. & Cas.	12,460	667	5,290	125	1,284	462	1,503	5	.....	2,207	.....	302	.....	1,769	75	
Aetna Cas.	510,792	187,754	157,572	101,261	84,773	7,576	86,581	46,389	85,836	1,877	8,038	2,964	32,265	3,028	51,570	20,357	
Aetna Life	287,682	162,904	102	592	504	9,484	561	6,728	.....	.....	.....	.....	.....	.....	21,665	6,365
Allstate	90,757	27,980	69,032	21,615	504	.....	.....	.....	.....	.....	.....	.....	.....	172,238	69,909	
Amer. Auto	698,945	346,433	526,707	276,439	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Amer. Employ.	165,277	79,737	67,936	57,943	12,229	8,029	40,469	7,195	3,894	.....	1,315	350	5,883	1,139	25,903	8,010
Amer. Indem.	142,614	46,266	89,552	27,958	.....	.....	.....	.....	.....	.....	1,513	284	137	.....	40,831	15,047
Amer. Motorists	147,840	101,063	74,577	66,101	3,599	146	38,746	21,800	240	.....	614	89	349	.....	29,124	12,887
Amer. Mut. Liab.	345,492	143,271	24,354	9,206	11,487	632	299,886	132,655	215	.....	13	.....	4	.....	9,533	2,042
Amer. Reins.	21,059	14,693	1,030	.....	1,474	.....	1,357	13,496	16,164	1,113	.....	712	6	300	.....	33
Amer. Surety	188,297	35,254	12,064	1,586	7,839	—20	6,605	3,442	146,650	26,842	575	580	9,656	495	4,805	2,029	
Associated Indem.	33	8	.....	17	.....	.....	.....	.....	.....	.....	.....	.....	.....	8	.....	.....
Badger State Cas.	59,946	20,946	30,605	13,966	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	23,624	5,803
Bankers Ind., N. Y.	62,339	17,011	15,230	2,209	5,839	670	29,335	11,268	19	.....	1,950	444	2,419	239	6,422	1,881
Car & General	174,233	70,929	112,463	45,766	6,844	834	9,908	4,908	.....	4,933	4,695	1,494	276	35,591	14,450	
Cas. Recip. Exch.	80,099	41,643	58,753	31,055	.....	.....	.....	.....	.....	.....	.....	.....	.....	21,157	30,188	
Celina Mut. Cas.	149,032	67,000	99,455	53,490	.....	.....	.....	.....	.....	.....	.....	.....	.....	39,034	12,450	
Central Surety	101,318	18,035	65,101	10,157	1,709	98	1,950	215	774	—436	1,604	889	1,462	226	28,356	6,867	
Century Indem.	91,562	40,535	16,354	9,747	14,328	8,925	31,370	16,004	7,968	—781	9,194	4,285	5,107	8	5,965	2,207	
Cheese Mkrs. M. Cas.	8,919	5,619	4,252	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	3,300	1,900	
Chicago Ice Produc.	758	18	—6	.....	11	.....	729	18	.....	.....	.....	.....	.....	24	.....	.....
Columbia Cas.	16,835	5,191	985	550	2,269	835	3,405	1,263	2,665	—468	2,312	707	1,107	75	350	58	
Commercial Cas.	55,579	26,805	21,374	13,084	4,768	2,190	1,000	184	4,133	1,000	3,214	708	2,209	630	3,804	1,621	
Conn. Indem.	4,512	301	.....	3,372	80	.....	.....	.....	.....	.....	.....	.....	1,140	.....	221	
Continental Cas.	715,863	236,781	203,226	74,491	69,302	12,152	113,428	53,406	34,086	9,105	13,683	4,469	30,376	1,620	67,819	21,444	
Coop. Ins. Mut.	81,036	22,434	39,401	10,504	.....	692	12,622	7,230	2,882	185	3,092	1,385	2,935	34	33,966	11,426
Eagle Indem.	65,156	18,832	22,843	5,033	9,241	692	12,622	7,230	2,882	185	3,092	1,385	8,770	34	3,595	.....
Employ. Liab. Assur.	413,857	171,925	124,929	62,615	46,742	7,329	147,637	74,112	4,576	—501	3,878	2,980	8,570	786	51,056	17,286	
Employ. Mut. Liab.	5,872,039	2,745,045	630,825	339,057	300,525	48,951	4,572,952	2,211,676	10,609	1,173	2,764	784	1,872	116	352,492	143,289	
Employ. Reins.	173,768	68,432	123,573	50,983	18,023	9,471	11,086	7,169	475	10	.....	2,748	708	—307	2,829	
Factory Mut. Liab.	11,129	2,300	7,694	1,659	18	.....	.....	.....	.....	.....	.....	59	.....	3,358	641	
Farm Bur. Mut.	32,449	15,857	16,472	6,516	.....	.....	.....	.....	.....	.....	.....	.....	.....	12,908	5,678	
Farm. M. Auto., Wis.	98,474	405,326	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	224,686	125,694	
Fidelity & Cas.	665,021	277,789	128,073	50,028	70,099	30,758	111,837	85,185	85,452	16,542	10,304	2,841	35,596	6,303	39,759	14,780	
Fidelity & Deposit	331,175	8,152	.....	.....	.....	.....	.....	.....	315,533	7,480	1,791	609	13,851	72	.....	.....
Fireman's Fund	57,909	14,424	8,623	1,692	16,333	1,707	22,282	8,324	2,458	—86	1,729	541	1,924	775	3,482	1,230	
General Acci.	480,626	226,627	226,200	119,489	34,167	11,016	114,096	60,697	.....	.....	2,964	873	7,635	1,560	82,145	33,362
Gen. Cas. of Amer.	81,295	13,750	54,499	8,889	4,717	467	.....	.....	.....	1,567	202	374	.....	20,138	4,192	
General Cas., Wis.	1,043,598	476,322	632,286	316,325	5,996	2,800	6,484	5,689	30,720	890	86	.....	34,767	5,091	319,964	140,120
General Reins.	101,512	18,268	35,553	6,984	9,996	2,800	6,484	5,689	30,720	890	86	.....	7,979	34	1,468	87
Glens Falls Indem.	121,219	38,561	38,496	10,610	14,737	1,184	17,494	11,093	15,947	2,496	5,008	1,477	6,662	2,401	12,969	6,646	
Globe Indem.	97,366	30,804	34,500	9,649	8,029	1,471	12,588	7,524	8,019	5,545	1,982	858	6,273	632	20,320	3,680	
Great Amer. Indem.	109,732	26,733	39,816	6,668	11,363	3,213	25,825	9,553	9,251	87	1,690	1,130	3,438	89	15,942	5,534	
Great Lakes Cas.	5,497	4,521	21	—2,810	3,340	7,234	.....	.....	.....	.....	.....	.....	.....	2,136	97	.....
Hardware Mut. Cas.	1,708,811	635,094	803,038	283,639	54,200	6,030	440,160	201,353	.....	20,165	6,990	14,043	3,396	377,205	133,686	
Hartford Acci.	780,728	307,196	200,661	92,826	83,509	21,055	252,149	136,640	83,836	8,779	10,724	4,737	43,077	873	74,492	27,607	
Home Indem.	20,336	5,371	13,355	3,134	788	.....	.....	179	.....	996	137	650	21	4,364	2,079	
Home Mut. Cas.	152,487	48,023	98,964	33,413	.....	.....	.....	.....	.....	.....	.....	.....	37,747	12,823		
Inland Bonding	15,437	.....	.....	.....	5,264	303	4,908	4,530	2,084	967	541	123	2,383	.....	5,562	1,164
Iowa Mut. Liab.	2,840	1,028	3,090	188	.....	.....	.....	.....	15,437	.....	.....	.....	.....	.....	946	202
Liberty Mut. Mass.	395,322	206,288	21,867	15,191	16,493	12,315	328,243	171,483	16,364	789	173	1,184	16,416	1,502	353	9,774	6,079
London & Lanc.	189,209	84,000	54,870	35,490	30,480	11,259	23,295	17,368	24,361	1,184	16,416	6,085	11,351	3,050	18,394	7,023	
London Guar.	154,145	83,857	33,506	29,121	19,460	5,497	61,867	36,354	94	1,529	2,148	3,926	973	11,740	7,135		
Lbrmen's M. Cas., Ill.	405,583	174,901	156,783	63,342	26,944	8,829	147,973	74,656	507	.....	2,085	271	1,545	111	56,895	21,406
Maryland Cas.	468,962	143,652	88,408	41,279	43,868	16,059	110,792	53,828	73,924	6,008	7,968	2,738	25,787	4,030	32,269	10,443	
Master Plumb., Wis.	27,054	4,667	6,467	2,054	27,054	22,282	22,282	4,667	1,751	1,751	3,146	9,653	1,410	12,050	4,433
Medical Prot.	65,547	15,737	.....	.....	5,547	81	.....	.....	.....	.....	.....	.....	.....	3	.....	.....
Merch. Indem.	4,873	3,559	2,417	3,569	.....	.....	.....	.....	2,456	.....	.....	.....	.....	2,828	224	
Metropolitan Cas.	71,619	24,054	25,246	12,144	10,83												

	Total Prem. \$	Losses \$	Auto. Liab. Prem. \$	Losses \$	Other Liab. Prem. \$	Losses \$	Work. Comp. Prem. \$	Comp. Losses \$	Fidelity-Surety Prem. \$	Surety Losses \$	Plate Glass Prem. \$	Glass Losses \$	Burglary-Theft Prem. \$	Theft Losses \$	Prop. D. & Coll. Prem. \$	Prop. D. & Coll. Losses \$
Wis. Mut. Ins.	105,482	53,970	60,266	40,048	.....	.....	.....	.....	.....	.....	22,386	10,289	.....	.....	39,575	13,500
Wis. Mut. Pl. Gl.	22,386	10,289	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Workmen's Mut.†	89,106	.....	50,519	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	21,223	.....
Yorkshire Indem.	68,109	26,162	36,860	13,822	2,392	98	.....	.....	12,933	3,000	220	482	624	1,348	15,080	7,412
Zurich	294,142	149,352	66,726	43,142	47,978	13,858	118,304	66,681	.....	.....	1,508	817	3,989	81	24,128	11,300
Total, 1938	29,450,609*	12,267,357*	7,665,706	3,576,177	1,567,704	370,890	8,323,991	4,193,858	1,817,481	222,328	269,506	111,370	540,138	65,402	3,353,023	1,319,874
Total, 1937	31,257,433	12,494,744	7,955,386	3,578,213	1,446,821	432,199	10,386,491	4,588,658	1,798,717	251,458	271,660	113,368	510,045	76,713	3,371,764	1,250,697

*Includes classes shown in following tables and auto fire, theft, etc., of full cover writers.

†One hundred percent reinsured.

Other Classes of Casualty Business in 1938 in Wisconsin

ACCIDENT AND HEALTH, ALSO NON-CAN.

	Prem. \$	Losses \$	Ocean Acci. & Guar.....	-12
Acc. & Cas.	\$ 105	.....	.....	.....
Aetna Cas.	8	.....	.....	.....
Aetna Life	288,645	\$ 146,100	.....	.....
Amer. Employ.	6,016	2,071	.....	.....
Amer. Motorists	475	39	.....	.....
Amer. Reins.	28	.....	.....	.....
Bankers Indem. N. J.	1,025	.....	.....	.....
Ben. Ry. Employ.	261,183	130,654	.....	.....
Bus. Men's Assur.	49,133	23,061	.....	.....
Central Surety	362	19	.....	.....
Century Indem.	1,278	140	.....	.....
Columbia Cas.	1,197	571	.....	.....
Commercial Cas.	16,001	7,388	.....	.....
Conn. Genl. Life	5,435	6,030	.....	.....
Continental Assur.	6,867	3,320	.....	.....
Continental Cas.	175,963	60,046	.....	.....
Eagle Indem.	2,337	628	.....	.....
Employ. Liab. As Corp.	12,860	4,524	.....	.....
Employ. Mut. Benefit.	6,285	3,125	.....	.....
Employ. Reins.	7,234	2,338	.....	.....
Equit. Life, N. Y.	79,750	26,078	.....	.....
Federal Cas.	38,029	16,946	.....	.....
Fidelity & Cas.	130,737	63,571	.....	.....
Firemen's Fund Indem.	1,083	240	.....	.....
First Natl. Cas.	20,767	4,695	.....	.....
General Acci.	12,538	1,630	.....	.....
General Reins.	5,927	1,884	.....	.....
Glens Falls Indem.	9,906	2,654	.....	.....
Globe Indem.	5,902	1,445	.....	.....
Great Amer. Indem.	2,607	479	.....	.....
Great Northern Life	126,912	63,014	.....	.....
Hartford Acci.	32,280	14,679	.....	.....
Home Indem.	4	.....	.....	.....
Ill. Mut. Cas.	62,336	22,256	.....	.....
Indem. Ins. of N. Amer.	121	.....	.....	.....
Inter-Ocean	26,939	12,033	.....	.....
Inter-St. Bus. Men's	33,597	14,210	.....	.....
John Hancock Mut. Life	12,407	7,988	.....	.....
Liberty Mut., Mass.	466	78	.....	.....
London & Lanc.	10,042	3,541	.....	.....
London Guar.	3,182	943	.....	.....
Loyal Prot.	41,780	15,460	.....	.....
Lbrmen's Mut. Cas., Ill.	1,370	5,197	.....	.....
Maryland Cas.	18,857	6,615	.....	.....
Mass. Bonding	23,305	10,390	.....	.....
Mass. Protective	326,677	156,417	.....	.....
Metropolitan Cas.	11,046	2,488	.....	.....
Metropolitan Life	281,644	127,452	.....	.....
National Cas.	159,526	62,631	.....	.....
New Amsterdam	1,340	438	.....	.....
No. Amer. Acci.	151,488	47,911	.....	.....
No. Amer. L. & C.	81,457	31,250	.....	.....
Norwich Union	1,893	655	.....	.....
Ocean Acci.	8,137	2,144	.....	.....
Ohio Cas.	115	.....	.....	.....
Old Line, Wis.	116,198	41,530	.....	.....
Pacific Mut.	94,809	70,521	.....	.....
Paul Revere Life	34,311	14,404	.....	.....
Pers. Ind. Ltd. M., Wis.	9,968	1,695	.....	.....
Phoenix Indem.	11,436	2,549	.....	.....
Preferred Acci.	1,227	10,848	.....	.....
Progressive Mut. Assur.	18,518	6,818	.....	.....
Prov. L. & A.	47,486	12,851	.....	.....
Prudential	48,457	18,863	.....	.....
Royal Indem.	4,935	841	.....	.....
St. Paul Merc. Indem.	223	.....	.....	.....
Security Mut. Cas.	160	37	.....	.....
Standard Acci.	20,236	14,254	.....	.....
Standard Sur. & Cas.	481	13	.....	.....
Sun Indem.	36	.....	.....	.....
Time	406,989	178,326	.....	.....
Travelers	290,889	159,263	.....	.....
United Ben. Life	96,076	30,864	.....	.....
U. S. Cas., N. Y.	170	123	.....	.....
U. S. F. & G.	10,790	2,027	.....	.....
U. S. Guar.	21	.....	.....	.....
Wash. Natl.	225,186	105,114	.....	.....
Western Cas. & Sur.	1	.....	.....	.....
Wis. A. & H.	53,636	20,492	.....	.....
Wis. Cas. Assn.	14,165	31,942	.....	.....
Wis. Natl. Life	67,229	23,379	.....	.....
Woodmen Acci.	214,384	118,921	.....	.....
Zurich	31,509	13,473	.....	.....
Total, 1938	\$ 4,386,510	\$ 1,996,614	.....	.....
Total, 1937	4,425,007	2,161,386	.....	.....

STEAM BOILER, ENGINE & MACHINERY

	Total Prem. \$	Losses \$	.....	.....
Aetna Cas.	\$ 1,025	\$ 538	.....	.....
Amer. Employ.	1,632	.....	.....	.....
Amer. Motorist	216	.....	.....	.....
Amer. Reins.	6	45	.....	.....
Colombia Cas.	2,045	1,600	.....	.....
Continental Cas.	7,981	25	.....	.....
Eagle Indem.	435	.....	.....	.....
Employers Liab.	13,559	2,794	.....	.....
Employers Reins.	3,012	.....	.....	.....
Fidelity & Cas.	53,166	7,751	.....	.....
General Acci.	881	.....	.....	.....
General Reins.	4,699	.....	.....	.....
Globe Indem.	803	.....	.....	.....
Hartford S. B.	133,868	27,550	.....	.....
London Guar.	7,241	54	.....	.....
Lbrmen's Mut. Cas., Ill.	11,482	1,079	.....	.....
Maryland Cas.	65,438	3,563	.....	.....
Mutual Boiler	8,870	51	.....	.....
Ocean Acci.	15,044	4,130	.....	.....
Phoenix Indem.	800	.....	.....	.....
Royal Indem.	5,218	535	.....	.....
Security Mut. Cas.	316	.....	.....	.....
Standard Acci.	876	.....	.....	.....
Travelers Indem.	81,443	3,322	.....	.....
Total, 1938	\$ 415,394	\$ 53,067	.....	.....
Total, 1937	645,607	66,553	.....	.....

CREDIT

American Credit Indem.	\$ 22,725	\$ —381	.....	.....
Employ. Reins.	2,835	.....	.....	.....

The NATIONAL UNDERWRITER

was former field engineer for the Portland Cement Association.

Takes 20 Counties for Mid-America

C. H. Woods of Washington, Ia., has been appointed district manager for 20 counties by the Mid-America Casualty of Cedar Rapids.

COMPENSATION

Manufacturers Neutral on Fund

HARTFORD — The Manufacturers Association of Connecticut has reversed its traditional policy and offers no objection to the establishment of a state compensation fund, if a feasible plan can be worked out. Insurance companies oppose the fund. The Manufacturers Association suggested at a hearing before the assembly's judiciary committee that a commission be created to study the whole problem of compensation, and, if warranted, bring in a program of insurance.

In no way critical of insurance companies, the attorney for the association stated that many employers are unable to obtain workmen's compensation for their employees because of the risks involved.

High-Low Hearing May 4

ST. PAUL.—A public hearing has been called for May 4 to consider the retrospective rating proposal now before the Minnesota compensation insurance board. Representatives of employers and insurance companies will be invited to attend.

COMPANIES

Observes 75th Anniversary of First Casualty Contract

The Travelers is observing the 75th anniversary of the writing of the first casualty insurance contract in North America with several special activities, including a convention campaign among its representatives in the field, radio programs and the distribution of commemorative publications. On April 1, 1864, James G. Batterson, its founder and first president, issued to himself an accident insurance policy, said to be the first in American history.

Mr. Batterson obtained \$200,000 capital from a group of Hartford business men, who in 1863 petitioned the Connecticut legislature for a charter. The charter granted, stockholders met early in 1864 to elect directors. The board elected as president Mr. Batterson, who was one of the foremost architectural designers of his time, an inventor, author, classical scholar, a personal adviser to President Abraham Lincoln and a man of keen business foresight.

Two-Man Staff at Start

The company's first home office consisted of two small second-floor rooms and the staff consisted of two men, Mr. Batterson and Rodney Dennis, secretary. The office equipment comprised two chairs, a second-hand pine desk set on a cheap table and a few printed supplies. From this modest beginning has grown the present Travelers organization, writ-

ing 200 basic forms of insurance, with tangible assets of more than \$1,000,000 nearly 5,000 policy-holders, and with more than 11,000 salaried employees.

Although April 1 is the anniversary of the first formal written policy, records exist of an earlier verbal contract, involving a 2-cent premium paid by James Bolter, Hartford banker, to insure himself against accidental injury while he walked from his office to his home for luncheon, a distance of about four blocks. In a facetious mood, Mr. Batterson accepted the two pennies. Mr. Bolter arrived home safely. The 2 cents net profit are still in the possession of the Travelers and are framed and hung in the directors' room in the home office.

Rhode Island Promotions

Atlantic Casualty & Surety, which was granted a charter in 1934 by the Rhode Island legislature, but has never been authorized to commence writing insurance, is now seeking an amendment to its charter from the Rhode Island legislature. It is seeking authority to write hospitalization insurance on a smaller capital basis. It has been chartered with \$1,000,000 capital. The officers are John Dreves, Nathan Werner and Robert Brown.

A Rhode Island bill has been passed to incorporate Narragansett Insurance Company to engage in accident, industrial, fidelity, automobile and airplane and personal and property insurance. It would be capitalized at \$1,000,000 and is chartered by George C. Clark, Ernest L. Sprague, Arthur S. Vaughn, Nathan Werner and James J. Corrigan.

Extend Milwaukee Air Cover

MILWAUKEE.—Not only would commercial airplane operators at the county airport taking passengers up for hire be required to continue carrying public liability insurance, but the insurance requirements would be extended to other airports in the county. The highway committee of the Milwaukee county board of supervisors went on record favoring those regulations, following a hearing on the proposal to eliminate insurance requirements at the county airport. Present regulations require operators to carry \$50,000 public liability and passenger liability, and \$5,000 property damage insurance. Smaller operators argued they could not afford to pay the premiums and were forced to move their operations to private airports. Those in favor of present requirements said insurance companies set up stringent requirements before issuing policies, in the interests of safe flying, and pointed out that the public needs protection against financially irresponsible operators. The committee recommended the county board seek legislation to regulate all airports in the county, especially in regard to insuring operators.</p

Aetna Casualty Des Moines Rally

DES MOINES—Iowa and Nebraska representatives of Aetna Casualty to the number of 100 attended an all day conference here with C. G. Hallowell, vice-president; W. J. O'Donnell, secretary, of the automobile department, Amos Redding and Rudy Larson, field supervisors present from the home office.

K. G. Ellsworth, Iowa and Nebraska manager, presided. Mr. Larson discussed the new hospitalization policy and accident insurance; J. F. Bonnewitz, superintendent bond department at Des Moines, spoke on sales opportunities for fidelity bonds. Mr. Hallowell was in charge of the subject "Agency Management." Agent H. C. Burleson of Cedar Rapids spoke on the same subject. Mr. Larson, assisted by C. Ibson, chief underwriter at Des Moines, and by Agents Nevin Trissel of Davenport, Roger Patton of Mason City and Wayne Dailey of Des Moines, presented the virtues of the risk analysis plan.

Mr. O'Donnell handled the auto insurance topic with discussion by John Cutler of Shenandoah, secretary Iowa Association of Insurance Agents. Mr. Redding talked on "Sales Problems and Opportunities."

At the banquet some novel entertainment was introduced. Mr. Ellsworth presented to the home office executives some Iowa products. Mr. O'Donnell received a live chicken and Mr. Redding was the recipient of a live Hampshire pig.

Confusion on Schedule of N. Y. Hospital Payments

NEW YORK—The schedule of payments to member hospitals by the Associated Hospital Service of New York published last week has caused some confusion as to whether the rates shown were on a per diem basis or on a cumulative basis. The line designated "first day" means a one-day stay in the hospital. "Second day" means the total payment on behalf of a patient for a two-day stay. Similarly, "third day" is the total payment for a three-day stay. From the fourth to the 30th days the basis is a flat per diem payment for each day of the entire stay.

The reason the first day charges are so high is that they usually include operating room and other miscellaneous expenses covered in the contract. By the time the patient has stayed four days it is possible to arrive at a per diem figure for his entire stay. For stays of one to three days it is more practicable to base the charges on a specified amount for the entire stay in the hospital.

There has also been a mistaken impression that the 25 percent reduction in payments would affect the rates to subscribers to the plan. Actually, the rate reduction is entirely a matter between the Associated Hospital Service and the hospitals themselves. To a considerable extent the reduction in rates is offset by the increase in demand of subscribers for hospital care. Thus, a hospital might be in the position of receiving the same total amount of money as previously but would have to give one-third more service. The table of present and revised rates, the latter applying specifically for April, May, and June, is as follows:

	New Rates	
	Present Rates	Representing 25 Per. Reduction
One-day stay	\$15.00	\$11.25
Two-day stay	20.00	15.00
Three-day stay	23.00	17.25
Stays of four to 30 days, per day	6.75	5.06
Per day after 30 days	2.25	1.69
Maternity	7.75	5.81

O. A. Seyferth, president Michigan Steel Foundry Company, Muskegon, and M. A. Cudlip, vice-president McLouth Steel Corporation, Detroit, have been elected directors of Michigan Mutual Liability.

LEGISLATION

Ohio—The measure to put hospital service associations on a state-wide basis has been returned to the house health committee so proposed amendments can be heard. It has been passed by the senate.

The senate has passed a bill which places companies and associations issuing hospitalization contracts under the direct supervision of the superintendent of insurance. It is now before house committee.

The Ohio senate insurance committee has recommended a bill permitting the merger of life, accident and health insurance companies. A house committee has recommended a bill permitting county commissioners to purchase liability insurance.

Kansas—The financial responsibility bill has been recommended by committee to the house for passage.

Pennsylvania—An amendment to the compensation act to compel the rating bureau to "propose and prove propriety of rates, rules and schedules," is provided in a bill introduced by Senator Dent. The insurance commissioner would be permitted to hold hearings and receive objections to proposed rates and then reject or accept them.

The Pennsylvania Association of Insurance Agents stands ready to oppose two compulsory automobile insurance bills which are now in the house committee on motor vehicles, Frank D. Moses, secretary, announces.

House Bill 320 creates a state fund for public liability and property damage insurance out of license fees, while H. B. 405 makes liability coverage compulsory.

Oregon—H. B. 273 which empowers school districts to insure motor vehicles has been passed by both houses.

Massachusetts—Leave to withdraw has been given the 17 bills proposing a flat rate for compulsory automobile liability insurance rates. Similar action has been taken by the insurance committee on the bills to repeal the compulsory liability act and to submit the question of repeal to the voters.

William Kopans advocated a measure before the legislative insurance committee which would compel the insurance commissioner to issue a certificate of authority at least 30 days following granting of a charter or set forth his reasons for not so doing. Commissioner Harrington opposed the bill on the grounds the present law was adequate and that more time was necessary to examine companies.

Maine—Insurance and labor interests voiced strong objections to the bill proposing compulsory automobile liability insurance. Charles Nelson, Augusta, represented the Association of Casualty & Surety Executives and the Maine Association of Insurance Agents.

Maryland—Joint resolution requests governor to appoint commission to study hospital insurance question.

California—A strong fight is being waged by the California Chamber of Commerce against bills to make many radical changes in the compensation law. Eugene Battles, Los Angeles, is vice-chairman of the chamber's compensation committee. Of the 52 measures there are 28 particularly undesirable bills. There are several state fund monopolistic measures.

The Insurance Brokers Exchange of San Francisco is backing an anti-discrimination bill to prevent the writing of fictitious fleets.

Observers are now confident that none of the bills proposing establishment of compulsory automobile liability insurance will be adopted. Two of the bills would set up state funds.

Arizona—A law has been enacted authorizing and regulating reciprocals.

Texas—A house sub-committee has completed a revision of the bill to cre-

ate a state compensation system and insurance committee is scheduled to hold a hearing on it this week. The industrial accident board would be given power to assess insurance rates against the employer, governed by the cost of administration. It would require payment of 66 2/3 percent of earnings after the first week of injury and payment for occupational diseases. Administrative expense is limited to 10 percent.

The house has passed bill 191, providing for the incorporation of non-profit hospitalization organizations.

Utah—A bill providing for the organization of cooperative health insurance organizations passed by the legislature was vetoed by Governor Blood. It was feared if the bill had gone into effect that hundreds of small, irresponsible outfits would have organized without any regulation.

Michigan—Senator E. Munshaw has introduced bills requiring contract bonds on all awards of contracts involving expenditure of more than \$500. Payment bonds are also required to protect subcontractors and persons furnishing materials or labor. The bonds could not be less than 50 percent of the contract price nor more than 100 percent. The other bill modifies the present provision that investment counsellors supply bond as a pre-requisite to licensing by permitting substitution of high grade securities.

The senate insurance committee has favorably reported six bills, including the uniform unauthorized insurance bill favored by the commissioners' convention and a bill aimed to end raids on compensation through "advisory service corporations."

Possibility of legislation to ease the bonding requirements for liquor or beer dealers is seen as Governor Dickinson is a life-long prohibitionist and president of the Michigan Anti-Saloon league.

B. M. A. New Hospitalization Form

The Business Men's Assurance has announced a new individual hospitalization policy as a special feature of its 30th anniversary this year. The policy provides for operating room, anaesthetic, laboratory fees, x-rays for accidents, ambulance service, complete hospital room service, hospital care for wife and children if desired, cash emergency fund and disability income benefits if desired. For a man age 30, hospitalization for self, wife and two children; an income when disabled by sickness or accident, \$1,000 cash emergency fund in event of death, cost as little as \$5 a month.

Car Should Have Been in Garage

NEW YORK—Edward King, an executive of the Eveready Hardware Manufacturing Co. of New York, failed in his effort to recover from the city \$315 as damages suffered by his automobiles through being stoned by pickets in a labor dispute. The action was brought under the ordinance, which provides that a city or county "is liable to a person whose property is destroyed or injured therein by a mob, or riot, provided the consent or negligence of such person did not contribute to such destruction or injury." In dismissing the case the court held that King, having knowledge that trouble existed, was negligent in leaving his car in the street, instead of parking it in a garage.

Arkansas Situation in Doubt

LITTLE ROCK, ARK.—Whether stock casualty companies will adopt the assigned risk plan for carrying compensation risks in Arkansas, it is understood, will depend on the willingness of a mid-western mutual specializing in bituminous mining business to extend its operations to the state. Aside from soft coal mining, Arkansas has numerous logging, oil and like industries, which, if the assigned risk plan were adopted, would doubtless have to secure their indemnity under it.

LATE FIRE NEWS

Springfield Group Makes Changes

Field changes in the eastern department of the Springfield F. & M. group include: transfer of T. F. Angell from eastern Pennsylvania to western New York territory, with headquarters at Rochester succeeding N. C. Rowland, placed upon the reserve list after 12 years' service. Mr. Angell has had 10 years special agency experience with the Springfield, first in Massachusetts and subsequently in Pennsylvania.

In the western Pennsylvania section Mr. Angell will be replaced by E. F. Warren, transferred from the northern New Jersey special agency. He has been associated with the Springfield group for over 25 years, and has worked as special agent both in Pittsburgh and Newark. S. C. Lewis is given supervision of the northern New Jersey, he being transferred from the south Jersey section. He will continue headquarters in Newark. He is a seasoned field man, having traveled in New York, Pennsylvania and New Jersey since 1925.

Associated with Mr. Lewis will be L. C. Clark, who will cover southern New Jersey. He has been associated with the parent company for 14 years, the last 12 months as special agent in New York state for the inland marine department of the group. Special Agent W. W. Smith, formerly supervising eastern North Carolina, has resigned to associate with his father and brother in the general agency of W. N. H. Smith & Son, Raleigh. Until a successor is named his field will be under supervision of Special Agent John W. McAlister, Security Bank building, Greensboro.

Interesting Ruling Made on Duties of Officer

When an employer is sued for damages for injuries caused by an employee, the employee is usually of the workman class. Often the question arises whether the employee was engaged in pursuit of his duties to the employer, or whether he had departed from his regular duties and was engaged in an enterprise of his own. An interesting decision on this point, involving high officials of the company, was recently decided by the Colorado supreme court in the case of Naylor vs. American Ins. Co. et al.

In 1934 Laurence E. Falls, vice-president American of Newark, had been to California and stopped off at Denver on his return. In the evening he had dinner with John L. Reams manager of the American, and it was arranged that they would visit Rocky Mountain Park the next day. They used a company car and on the way to the park there was an accident. Mr. Falls was badly injured, and a woman in another car was killed.

Suit for the woman's death was brought against the American and Mr. Reams as joint defendants. The company demanded a nonsuit on the ground that Reams at the time of the accident was not acting within the scope of his authority as manager for the company. In the ordinary case, where an employed driver stars off on a pleasure expedition, it is quite commonly held that he has departed from the course of his employment. In this case, however, the question went twice to the Colorado supreme court and has now been decided against the company. In the final decision the court says:

Was Part of His Duty

The testimony fairly tends to show that Reams was the manager of the Rocky Mountain division of the American Insurance Company. The company was engaged in writing fire insurance through agents in various parts of Colo-

rado. Laurence E. Falls, who was with Reams in the car at the time of the collision, was a vice-president of the company residing in the state of New Jersey, where the insurance company had its home office. Mr. Falls had been on a business trip to San Francisco and on his return stopped in Denver to inspect the office of which Reams was manager, to observe the personnel employed, including Reams, and to ascertain any facts which might be of advantage to the company in its Denver offices. He stated that on his visit he was acting in a supervisory capacity and that it was for the purpose of an inspection for and on behalf of the company."

It was ruled that in view of the nature of Mr. Fall's duties, the jury was justified in holding that the trip was in performance of the official duties of the two American men. The verdict against the company was affirmed.

Gainer Heads Texas Adjusters

J. W. Gainer, Austin, was elected president of the Independent Insurance Adjusters of Texas succeeding H. F. Rosenbush, Houston. Other officers are: H. E. Sanders, Dallas, first vice-president; L. M. Kizer, Waco, second vice-president, and Ed. Lindsey, Tyler, secretary and treasurer. On the executive committee are Mr. Rosenbush, C. G. Hysaw, Corpus Christi, and C. E. DeWitt, Dallas.

The Texas group is affiliated with the National Association Independent Insurance Adjusters.

W. B. Marrion, prominent agent of Greensboro, N. C. and president of the Insurance Federation of that state, died suddenly. He had conducted a general agency for the Aetna Life group since 1902.

LEGISLATION

Wisconsin—Harold M. Wilke, Madison, counsel for the Wisconsin Mutual Insurance Alliance; Irving Mehigan, Milwaukee, of the Wisconsin Insurance Federation legislative committee, and E. M. Griggs, Chicago, representing the National Board, opposed a 5 percent tax on premiums of companies writing automobile theft, embezzlement, forgery, burglary, etc., to finance a radio intelligence division to set up and operate eight short wave radio stations at a cost of \$250,000, at a legislative hearing. They contended the tax was discriminatory and unsound.

Texas—The house has passed bill 249 providing for a uniform liquidation act. When a court decides a receiver is necessary, the liquidator designated by the insurance board becomes the receiver.

Arizona—A so-called surplus line law has been enacted in this state. It provides for placing with non-admitted companies insurance that is not transacted by a majority of the companies that are admitted, provided that the business is not taken outside merely to get a rate cut. There is a license fee of \$5 for an excess line agent and the agent is liable for an excess line tax of 3 percent.

Minnesota—Insurance men sighed with relief when on March 25 the deadline for introducing new bills was reached. Several belated insurance bills made their appearance the last week. Hearings on the 150 and more measures are keeping insurance leaders busy. Among the new bills are: S.F. 1208 and H.F. 1311 authorizing the writing of extended coverage by fire companies, and H.F. 1332 providing for a 2 percent surcharge on fire premiums in Hibbing for firemen's relief purposes.

The senate committee has reported out favorably a bill that would permit township mutuals to write churches in villages up to 1,000 population. The bill forbidding fire and casualty companies to discriminate against race has also made some headway in committee.

Serious Fire Hazard Created by New Air Conditioning Plants

NEW YORK—The development of air conditioning systems has created a serious fire hazard, said R. E. Maginnis, American District Telegraph Company, in discussing new developments in industrial fire hazards and fire protection before the Greater New York Safety Council's convention here.

Mechanical filters through which the air is forced to remove dust, lint and other forms of matter, offer possibilities of severe hazards. It is generally conceded that when an oily, dust and lint coated filter becomes involved in a fire the heat and smoke will become intense, regardless of the incombustible nature of the filter itself. It is therefore important that the filter be not only of incombustible material but thoroughly cleaned at frequent intervals, said Mr. Maginnis.

The ducts which distribute and return the air within the premises probably are the main sources of danger, acting as flues and chimneys for rapid distribution of smoke and fire throughout the premises. Often it is found that ducts which are not cleaned frequently enough have accumulated sufficient dust and lint on their inside walls to substantially feed a fire under forced draft of the fan and when the ducts have combustible linings this hazard is alarmingly increased.

Another hazard results from the recirculation of air by suction through return ducts with grill openings placed in the wall, often near floor levels and affording convenient repositories for cigarette stubbs, chewing gum wrappers, paper matches, etc., which are thrown or drawn into them and accumulate to feed a possible fire.

Air at 30 Miles an Hour

With fans forcing air at the rate of 30 miles an hour through the flue-like ducts to all parts of the building, it is easy to understand how a spark drawn into the system from any source whatever can quickly fan oily dust and lint on the surface of the filter and accumulations inside of ducts into a hot fire with a large volume of smoke. This has been the experience with 15 air conditioning fires in the past two years.

Mechanical devices are now available to automatically detect smoke originating from a fire within the air conditioning equipment. The devices shut off the air conditioning system fans and close the fire control dampers when the fire starts. Supersensitive photo-electric equipment known as the "electric eye" detects the presence of smoke. Fixed temperature thermostats detect abnormally high temperatures in filter chambers or outside air intakes. Automatic fire detection and sprinkler system devices and special alarms are also provided.

Finance-Insurance Des Moines Deal

DES MOINES.—Hugh N. Gallagher and E. L. Burgeson have assumed control of the management of American Mutual Insurance Association of Des Moines. Gallagher succeeds Ray Thompson as president and Burgeson replaces L. R. Klingler as secretary. Both Thompson and Klingler have resigned from the organization. The company writes automobile fire, theft and collision. It formerly was operated with interests identified with the Phoenix Finance system. The insurance company is now located at 1117 Locust street, Des Moines. Gallagher and Burgeson are connected with the O'Dea Finance Company. Phoenix Finance system now has a connection with the Potomac.

The Nebraska Association of Insurance Agents, which will hold its annual convention at North Platte, Neb., May 17-18, has chosen Pawnee Hotel as convention headquarters.

Brilliant Dinner for Duncan Reid

(CONTINUED FROM PAGE 15)

formation of the Association of Casualty & Surety Executives in 1927, and served as its first president. He likewise was largely responsible for launching the Workmen's Compensation Reinsurance Bureau, and has continuously been one of its guiding figures.

Presented with Oil Painting

An oil painting of Mr. Reid was presented to him Wednesday night. It is by Sidney E. Dickinson of New York, a member of the National Academy and of the National Institute of Arts & Letters. Among his best known portraits are those of Woodrow Wilson, as president of Princeton University, and of Walter A. Jessup, president of the Carnegie Foundation.

"Thirty-nine years ago it was my good fortune to become associated with the casualty-surety business in the United States," Mr. Reid declared in his talk.

"The intervening years have been full of changes and great developments, in the economic and industrial life of this country. Casualty insurance has endeavored to keep pace with this constant evolution, and I believe it can be fairly claimed that stock casualty insurance has been equal to all of its responsibilities and opportunities throughout the years. Few of us appreciated thirty years ago that in due time casualty companies would come to be recognized as semi-public institutions and that their conduct would impinge upon and become a part of the social evolution that was constantly developing. I was fortunate as a relatively young man to have the privilege of being associated with many of the older pioneers of our industry, and I recall with pleasure and respect the splendid officials who necessarily were tremendously individualistic in their outlook upon the problems of the business. This very individualism made it most difficult in those early years to bring about harmony of views and cooperation which a later generation of executives most wisely determined was essential to the welfare of stock casualty insurance. It has been my privilege to have participated in every effort having for its objective a cooperative spirit in the strengthening of stock company insurance in its relationship to the public and to the agency force. I am glad to have this opportunity of testifying to the cooperation that has been developed, particularly during the past 15 years. Casualty insurance is essentially young. It has made many mistakes and has failed in its objectives on different occasions. But it is to the credit of the executives generally that we are today experiencing the highest degree of cooperation that has ever existed in the history of our business.

Need More Cooperation

"I hope I will not be considered as presumptuous on the eve of my retirement in expressing the belief that it is the direct and inescapable responsibility of all executives of all stock casualty-surety companies to continue to build a more intelligent, a more efficient and, perhaps, a more unselfish degree of cooperation than actually exists today. This can be accomplished, with the assistance of the agency organizations, who as a group have a vital interest in the welfare of our business. The executives of the companies owe to their stockholders and to the public a very real responsibility, and in my judgment the conditions prevailing in the future will impose upon such executives an ever increasing need for the greatest possible efficiency and cooperation.

"I am looking forward to the days of leisure with an eagerness that has surprised me, and perhaps the only justi-

fication or excuse for that eagerness is my age. Many of my friends, I know, are concerned about 'what of tomorrow?' I am facing tomorrow with that same spirit that existed at the time I assumed the adventure of building the Globe. Each of the tomorrows will be an adventure to me, and they will give me that opportunity—long hoped for—of doing that which I want to do when I want to do it."

Those at Speakers' Table

Seated at the speakers' table, upon a dais in the center of the immense hall, to the right and left of the toastmaster were: A. Duncan Reid, Lord Cornwallis, Superintendent L. H. Pink of New York, G. G. Blatz J. A. Falconer, Thatcher M. Brown, Rev. Dr. Luke M. White, Arthur E. Pattinson, Kenneth Spencer, J. Dyer Simpson, W. H. Kingsley, Capt. P. M. Spence, Benjamin Strong and F. J. O'Neill.

Toasts were offered to the president of the United States, the king of England; to Mr. Reid; to Kenneth Spencer, new president of Globe, to the Globe representatives and to American insurance.

Responses Are Made

Responses were made as to Mr. Reid, by J. Dyer Simpson; as to Mr. Spencer, by Lord Cornwallis. G. G. Blatz, president of Blatz-Kasten Co., Milwaukee general agents of Globe Indemnity, spoke for the field force, while Mr. Simpson responded to the toast to American insurance.

In addition to Mr. Pink, other insurance commissioners in attendance included J. C. Blackall, Connecticut; C. F. J. Harrington, Massachusetts, and Ernest Palmer, Illinois.

Also present were former Superintendents J. S. Phillips, F. R. Stoddard and J. A. Beha of New York, and J. Victor Barry of Michigan.

A number of insurance men left Chicago Tuesday to attend the banquet in honor of A. Duncan Reid. Some of the general agents from outside cities joined the Chicago contingent. Among those that went down were Frederick Kasten and G. G. Blatz, Blatz, Kasten & Co., Milwaukee; A. D. Weaver, manager of the claim department at Chicago; Frank Wilbur and B. W. McCluer of McCluer-Wilbur, Kansas City; K. O. Saunders, resident vice-president Globe Indemnity, Chicago; S. P. Armstrong, Fred S. James & Co., Chicago; Attorney Ralph Potter of Chicago; P. B. Hosmer of R. W. Hosmer & Co., Chicago; Freeman Read, manager Car & General, Chicago, and former Chicago manager Globe Indemnity; J. I. Loeb, Associated Agencies, Chicago; E. H. Mulock, president Central Life of Des Moines; Insurance Director Ernest Palmer of Illinois; Herman and William Bartholomay, Bartholomay - Darling - Clarkson Company of Chicago; M. G. Volz of Lincoln, Neb.; President M. P. Cornelius, Continental Casualty; U. S. Manager Neville Pilling, Zurich; H. S. Peterson, Fremont, Neb.

Two on Braniff Plane That Crashed Had 50c Policies

Two of the passengers who were killed in the wreck of the Braniff Airways plane in Oklahoma City, Sunday night, had purchased accident policies in the amount of \$5,000 at the Chicago airport. Each had paid 50 cents for the insurance. The policies were those of Fidelity & Casualty, for the account of Associated Aviation Underwriters.

The liability insurance of the Braniff Airways is carried in Associated Aviation Underwriters. The Braniff lines had never before suffered a passenger fatality. A few years ago, however, six employees were killed in a plane.

Aviation insurance people say that there is only one line in the country now that has not had a passenger fatality, it being the Penn Central.

POINTERS FOR LOCAL AGENTS

Agent Must Be Salesman; No Money in Being an Analyst

NEW YORK—Insurance men in the last few years have shown a desire to get away from being salesmen and become "analysts" or "engineers" but whether he likes it or not, unless the agent is essentially a salesman he is not going to get much money out of being an analyst, Vice-president H. S. Bigelow of the Sales Analysis Institute, New York City, declared at the closing meeting of the educational series sponsored by the Accident & Health Club of New York. Mr. Bigelow gave several specific ways in which insurance men can detect the insidious lure of the "analyst" role and stick to salesmanship with its greater opportunity for profits.

"Analysis may be a part of professional selling but it must not replace selling," he warned. "What is the difference between a professional analyst and a professional salesman? There is so much difference that if we are safely to incorporate analysts in our selling, we must know what the difference is or we will cheat ourselves unthinkingly and lose out."

Begin at Opposite Ends

Given a problem, the analyst starts with what is being done wrong or might be done wrong and then details the facts and their consequences, then puts down what is being done right or should be done right and details the right facts and their consequences, Mr. Bigelow said. Having found all this information, the analyst naturally must report it to someone else. It is in this reporting progress, the speaker emphasized, that the roads of the professional analyst and the professional salesmen part company. The salesman really begins where the analyst leaves off.

"Having unearthed this information, the analyst has finished his task," Mr. Bigelow pointed out. "So therefore he starts back at the beginning in making his report, that is, with what is wrong in the situation. His report is factual and logical. He does not need to be tactful. His objective has been reached. He has completed his work and can expect his pay. He does not have to concern himself with the likes or dislikes of the listener."

Listener Is Human

"Not so with the professional salesman. Analysis is but the beginning, the first step. When we report on our analysis we are not ending, we are beginning."

"Your listener is human. Consider the feelings and emotions of the person to whom you are starting to report and you will, in all likelihood, be allowed to go further. If he has not purchased something from you yet this 'going further' is more important than all the distance you have gone, no matter how much work it has already entailed for you."

Mr. Bigelow said he has been interviewed in the last five years by hundreds of insurance men, men who were formerly excellent salesmen and many of whom are now excellent analysts but are going hungry for business because they have been tempted too far away from their former human presentations.

No Chance to Talk

"True, they undoubtedly know more of what should be said, but they are not being given a chance to say it," he said.

There are two ways of improving one's success as a salesman, Mr. Bigelow said. Drawing an upward-sloping straight line on the blackboard he said it would represent a salesman's performance over a period of years. He pointed out, however, that if the line were to interpret accurately a man's record of performance, it would fluctuate considerably above and below the average represented by the smooth line which showed the average.

Raise the Valleys

The upward fluctuations, representing the most successful performance, represents virtual perfection. Mr. Bigelow pointed out that since the desired objective is to raise the average of one's performance, it is far easier to do this by raising the standard of one's poor performances than to try to make the best ones better.

"Success today is based on being

more consistent, not merely on being better than you are when you are at your best," Mr. Bigelow emphasized. He emphasized the need of precautions and plans, together with practice so that the proper procedure becomes a matter of firmly fixed habit, so strong that they will guide the salesman even when he is excited or forgetful.

Put on Sales Skits

Sales demonstrations covering four approaches, four methods of meeting objections and four close were put on by six members of the club. W. T. Hammer, Commercial Casualty, chairman of the meeting, acted as prospect, the salesmen being G. T. Beyers, Massachusetts Bonding & Indemnity; F. T. Curran, Continental Casualty; W. L. Kick, Century Indemnity, and J. L. Ullman, W. L. Perrin & Son. E. A. Hauschild, assistant secretary Continental Casualty, acted as commentator.

R. L. Hills, vice-president Great American Indemnity, gave the examination for those who have attended the course and wished to obtain the certificates, which will be awarded later by H. M. George, U. S. F. & G., club president.

Inland Marine Destined to Be Major Premium Producer

Inland marine insurance is destined to become one of the major premium producers, said Kenneth J. Bidwell, manager inland marine department of the Manhattan Fire & Marine, at an Indiana Blue Goose luncheon in Indianapolis. "Our problem today is one of merchandising," said Mr. Bidwell. "Few products sell themselves—insurance, perhaps, least of all. Insurance is not a product that can be made to appeal to the public by billboard type of advertising."

"What makes women buy and wear crazy hats?" Mr. Bidwell asked. "Someone has sold them the idea that it's the thing to do and that they must have them. We must do the same thing with insurance."

Novelty Best Appeal

Novelty is the best bet today for advertising inland marine insurance, Mr. Bidwell declared. "These coverages contain more innovations than any other form of property insurance," he said. Inland marine lines can be looked to to restore the falling fire premium income, Mr. Bidwell believes. "Important changes in the insurance business develop slowly but, by comparison, development of inland marine business has been rapid. Inland marine will eventually become as important as fire and casualty by growth within itself and absorption of others. Although inland marine business has gone a long way it is still in its infancy and requires proper upbringing."

Importance of proper guidance as to agency practice was stressed, responsibility for which rests with the fieldmen.

The day of the fieldman who was primarily a field agency superintendent is gone forever in Mr. Bidwell's opinion, today he must be informed in all departments of his business so that he can give agents that service which they demand. They must be well posted on inland marine coverages to be able to answer the many questions agents will be asking, more and more.

These four cardinal points were suggested for the fieldman who is preparing himself to supplement his company's merchandising campaign:

"1. Make a study of the inland marine coverages in the light of the commissioners' definition until you have sold yourself on their advantages.

"2. Be proud of what the business in which you are engaged has developed for those on whose support you, your companies and your agents depend for continued existence.

"3. Sell your agents on the genuine advantages of floater policies to the extent that they will get into the habit of thinking of them in terms of the latest and best for their assureds and not merely as a means, when necessary, of cutting corners.

"4. Remember always that sales depend upon creating a demand."

Must Not Be Restricted

To develop to the fullest extent, inland marine insurance must be free of crippling supervisory restrictions, Mr. Bidwell said and added, "To be thus free, however, its development must be ethically, theoretically and practically sound."

Insurance policies of the future will be very broad contracts with a few specific exclusions which the insured can readily understand, said Mr. Bidwell.

He advocated financing premiums where objection is raised as to cost.

Asked why jewelry, and jewelry and fur floaters are not accorded the usual $\frac{1}{2}$ premium rate for three-year policies, he said that the fluctuation of price in these articles is so great at the present time that companies do not care to be on long time policies for this coverage. He cited instances where the fluctuation in values on furs has been as great as 50 percent in the past five years. In all other policies the $\frac{1}{2}$ times for three year policies can be had.

Insignificant and annoying claims that are now evident under personal floaters

Sales Possibilities Through Organized Effort Are Shown

KANSAS CITY—No man needs more self discipline than the insurance agent, who is his own boss, John Rector, special agent, told 200 agents of the Aetna Casualty at an all day sales conference here conducted by home and branch office officials. For this reason saving time is important, said Mr. Rector.

One way of saving time is to have a simple and effective method of keeping records. Mr. Rector outlined the accounting system used by the John Kelly agency at Leavenworth, Kan. When the policy is written it is entered in a journal. It is billed in triplicate: the original is sent to the assured as an invoice, a copy goes in the collection book and stays there till collected, and the second copy is used for the expiration record. The method has been used successfully for some years.

For an agency with a volume of \$25,000 or less per year, Mr. Rector suggested the following: a double entry cash book giving at all times the commission account, bank account, accounts receivable, line card showing all insurance for that assured and if and when premium was paid, and policy register showing all policies issued.

Over 500 Prospects in Block

"In production, the greatest time saver is knowledge of whom to call on," Mr. Rector said. "We analyzed one block in Leavenworth, Kan., at one time for lines that might be available to each of the businesses in that block. We secured 533 new prospects for new business—in just one block. There are many blocks in your town."

A number of insurance coverages are gradually coming into prominence, Mr. Rector pointed out. Recently an agent became interested in the personal property floater because it was available on a three-year basis. He had not written any of this business before, yet since the first of the year he has sold some \$2,500 in premiums. There are prospects for the personal property floater in every town.

Non-ownership automobile liability is another one. An agent had prepared a proposal for a company and several individuals, setting up a fictitious fleet and planning to place it in a cut rate carrier. Mr. Rector worked out with the agent a joint schedule and non-ownership policy which saved 20 percent over the agent's original proposal.

"Another agency was top heavy with automobile business. We analyzed the policyholders to determine what was available to the agency's present customers other than automobile. The result was an amazing increase in sale of miscellaneous casualty lines."

"As a matter of fact, miscellaneous casualty lines should no longer be called that. They have become major production lines, agents are finding. They renew each year and require less service."

Mr. Rector suggested a permanent prospect list set up with 30 to 40 different kinds of insurance available. When a campaign comes along to stimulate business, it is easy with such a list quickly to discover prospects for any type of insurance.

policies will not cause the companies to raise rates as long as the coverage proves profitable, said Mr. Bidwell. If profits do dwindle he believes that rates will be raised rather than curtailing coverage.

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Countersignature Bill Signed in Iowa

DES MOINES, IA.—Governor Wilson has signed the Iowa countersignature bill giving local agents 5 percent commission on Iowa business. The bill will not become effective until July 4.

As approved the bill was changed by an amendment proposed by mutual companies, excluding them whether operating on an agency basis or as direct writers. Other amendments include membership fees as well as premiums and limited the 5 percent commission to one-half the total commissions.

President Hopkins' Comment

President B. C. Hopkins of the Iowa Association of Insurance Agents says the measure will clarify the position of the majority of companies which handle their business through local agents and will eliminate the advantage a few companies have taken in handling business for outside brokers through their salaried representatives. The 5 percent commission designated in the bill is modest as compared to 10 percent stipulated in the laws of many states, said Mr. Hopkins. A retaliatory provision is expected to work out a working agreement between surrounding states and Iowa agents.

It is not the desire of the association that the business of the companies be handled by any one agent, but that it be distributed through the state where the property is located. Mr. Hopkins said such a resolution will be recommended at the association's annual meeting in Mason City, Sept. 6-8.

Introduce Reform Bills in Nebraska

LINCOLN, NEB.—Ten bills were introduced in the legislature by the committee which has been investigating the state insurance and bureau of securities department. The committee will have its final report ready within 10 days, but deemed it wise strategy to get its reform bills on file early. This action releases for consideration more than 30 bills on file dealing with changes in existing insurance laws. The committee will probably recommend that further changes in the law be studied by the legislative council between now and the next session.

The new bill limits the formation of assessment companies to fire insurance only, including farm mutualls. New assessment health and accident companies are banned and the department is given authority to close out existing assessment companies or compel them to comply with the impairment statutes relating to mutualls. Another bill requires companies writing indemnity insurance to set out plainly what they do cover rather than what they do not.

Ohio Association Outlines New Program of Activity

COLUMBUS.—The Ohio Association of Insurance Agents has outlined a program of greater activity incidental to its withdrawal as a coextensive unit of the National Association of Insurance Agents. A committee has been named to communicate with company groups. It is headed by Austin McElroy, Columbus. Other members are E. S. Davis, Cleveland; Theodore Safford, Cincinnati; W.

C. Hazlebeck, Portsmouth, and P. W. Tribelet, Bellevue.

Association officials say they have received many letters of commendation since it withdrew from the National Association and that every local association that has seen fit to take up the issue has approved the course pursued by the state organization. The association reports that more insurance legislation is pending in the Ohio legislature this year than ever before. To enlarge and develop every phase of its work the Ohio association has devised a new scale of dues, ranging from \$5 to \$300.

Ohio Ruling on Part-Timers

COLUMBUS.—Hereafter in the licensing of part-time agents, the Ohio department will write direct to the employer of the applicant for the part-time license asking that the employer notify the department of his willingness to allow the licensee free access to telephone calls and visitors during business hours and the privilege of leaving his place of business for necessary service when such occasions arise. The change in the regulation relates to the licensee's being permitted to leave his place of business for service to assured when necessary. This applies only to new applicants for part-time licensees.

Fete Jackson Agency, Eau Claire

H. C. Busack, Wisconsin state agent, was host at a dinner to the members of the Jackson agency of Eau Claire, Wis., and several other friends to commemorate the fact that this agency had represented Norwich Union Fire 50 years. Mr. Busack presented to the members of the firm a handsome desk set that was inscribed. The agency was founded by O. F. Jackson, the father of Willard G. Jackson in 1877. In 1889 the latter entered the agency. He is now 78 years of age but is still active. His son, Willard V. Jackson, has been connected with the agency 23 years and three years ago, Frederick J. Jackson, the fourth generation, entered the agency after graduating from college.

O'Connor Speaks at Cincinnati

James C. O'Connor, editor "Fire, Casualty and Surety Bulletins" and associate editor of THE NATIONAL UNDERWRITER, will speak at a meeting of the Lower Cincinnati Business Men's Association Thursday night. He will discuss insurance matters of interest to business men and how the greatest value can be obtained from an agent's services.

Favorable Reports on Fund Bill

MADISON, WIS.—At a hearing before the Wisconsin assembly committee on insurance and banking, the Schlytter bill to limit state insurance fund coverage to state property and prohibit the insuring of other forms of property, was reported out favorably for passage.

Indiana Advisory Committee

Ross E. Coffin, president Indiana Association of Insurance Agents, under whose auspices a two-day insurance school will be held at Indiana University, May 19-20, jointly sponsored by the university, has completed the formation of an advisory committee which includes President H. B. Wells of the university, C. W. Barker, acting dean of the school of business; J. E. Moffat, head of the department of economics; Commissioner Newbauer, E. M. Sellers, manager Indiana Inspection Bureau, and A. L. Jenkins, Richmond; John Block,

East Chicago; D. S. Allison, South Bend; W. H. Lupke, Fort Wayne, and C. W. Owens, Farmland, local agents. Additions to the executive committee previously announced include R. G. Hastings, Washington; W. C. Greenough, secretary to President Wells; Professors H. C. Sauvain, investment and research bureau; Ivan V. Snyder, school of business, and George Steiner, assistant director bureau of research.

of Commerce at its 100th anniversary celebration for organizations which had reached the century mark. The insurance business was represented by the Cincinnati Equitable, established in 1826, and the Cincinnati Fire Underwriters Association, established in 1838. J. S. Kemper, president Lumbermen's Mutual Casualty and vice-president United States Chamber of Commerce, Chicago, was a speaker.

Larkins Talks on Adjustments

BELOIT, WIS.—Misconception of relative values in the settlement of fire losses is one of the most difficult problems of the fire insurance business, Thomas Larkins, Milwaukee, special agent Hartford Fire, told the Beloit Underwriters Association, speaking on loss adjustments. Not only the agent but the insured as well has responsibility in connection with losses. Settlement according to policy provisions becomes difficult without cooperation of all parties involved.

Hopkins Off for Convention

DES MOINES—B. C. Hopkins, president Iowa Association of Insurance Agents, left Monday en route to the National association convention in Hollywood, Fla. He and E. H. Mulock, president Central Life of Iowa, attended the A. Duncan Reid dinner in New York Wednesday night. Mr. Hopkins also visited Hartford before going on to Hollywood.

Mr. Hopkins announced the association's membership had reached 373, with all but seven counties represented.

Hear Hildebrand and Anderson

DETROIT—R. E. Anderson, Continental Casualty, addressed the Detroit Association of Insurance Agents on "Hospitalization Insurance." W. O. Hildebrand, executive secretary of the Michigan association, outlined legislative developments.

Anniversary Dinner in Cincinnati

One of the most distinguished gatherings of civic and business leaders ever assembled at Cincinnati attended the dinner given by the Cincinnati Chamber

NEWS BRIEFS

The Insurance Exchange of St. Paul has adopted a resolution opposing compulsory automobile insurance legislation.

New officers elected by the Indianapolis Insurance Adjusters Association are: W. E. Noble, president; Thomas Stewart, vice-president, and James Newberry, secretary-treasurer.

The Maryland Casualty will put on the program at the April 10 meeting of the Insurance Club of Minneapolis. A motion picture will be shown.

W. B. Calhoun is chairman of the committee arranging the program for the mid-year meeting of the Wisconsin Association of Insurance Agents in Madison April 27. Local arrangements in Madison are in charge of committee headed by Walter Schar, secretary Madison Insurance Board.

H. W. Pripps, associate manager Fidelity & Deposit, Milwaukee, will discuss "Fidelity and Surety Bonds" at the meeting of the Insurance Women of Milwaukee April 3.

Briggs A. Hoffmann, vice-president Lawton-Byrne-Bruner Agency, St. Louis, and Mrs. Hoffmann have taken a house at Culver, Ind., where their son, Briggs, Jr., is a student at Culver Military Institute.

The Wichita insurance library established jointly about 12 years ago by the Wichita Insurers and the Sunflower Blue Goose puddle in connection with the public library, is to be enlarged by the addition of many late insurance books and publications.

The Toledo (O.) Association of Insurance Agents held a "safety" meeting with Jay Thompson, secretary Toledo Safety Council, as principal speaker.

IN THE SOUTHERN STATES

Texas License Bill Has Been Revised

AUSTIN, TEX.—The Texas senate committee has reported favorably on Senate Bill 98, drafted in the form of a committee substitute for the Martin bill providing for the examination and licensing of local recording agents and solicitors.

The present division of agents into two classes, local recording agents and solicitors, is retained but the definition of each is broadened.

In addition to present requirements, applicants for agents license would have to be endorsed by a general, state or special agent. Firms seeking a license would be required to show that each active member is qualified and that none not active has an interest principally to handle insurance on property one controls.

The bill would deny a license unless the insurance board finds the applicant or firm is actively engaged in soliciting and writing insurance for the public generally, is a resident of Texas, of good character and reputation, and that the application is not being made in order

to evade the laws against rebating and discrimination.

In towns of 2,500 or more, instead of 75 percent as now provided, the bill requires that for the year preceding the application the licensee seeking renewal shall have written or placed a total volume of premiums for others greater than that on his property or that which he controls. In towns of 2,500 or less, the requirement for outside business would be reduced to 25 percent of the applicants' total volume of premiums.

A new provision requires only one license for persons acting as agent or solicitor for health and accident insurance who represent only fire and casualty companies.

Provision for Examination

If applicant has not been licensed within one year he is required to submit to a written examination conducted by the board of commissioners not less frequently than once each 60 days. The board is required to furnish manuals with questions and answers to aid applicants in preparing for the examination.

A local agent's license in a town exceeding 5,000 population costs \$25; in any other town, \$15; for a solicitor's license in a town exceeding 5,000 pop-

ulation, \$5; and in any other, \$2. The renewal fee for either is \$1.

Solicitors can solicit only in the name of the local agent they represent.

Provision is made for suspension and/or cancellation of license by the board after hearing. Appeals from orders for suspensions, cancellations, or refusal to issue or renew a license can be brought in district court with venue restricted to Travis county.

Mutual companies, their agents and representatives, organized and operating under Senate Bill 121, Acts of 1937, are exempted.

A new provision against rebating is included.

Cooperative Plan of the Florida Agents

A. C. Eisler of Tampa, secretary Florida Insurance Agents Association, has sent to members the proposed cooperative agreement as suggested at a meeting of local board presidents and representatives at Orlando, Fla., March 16, and which is to be submitted at the state association at its annual meeting in Hollywood, April 4. J. W. Warren of Tampa is chairman of the committee for local board cooperation.

The agreement provides that all recognized local boards shall operate under charters granted by the directors of the Florida Insurance Agents Association. All members must be members of the state association. The state association and local boards are to have and enforce the in-and-out rule by requiring members to represent Southeastern Underwriters Association companies only. This is not applicable to non-board stock fire companies now members of any local board provided they adhere to the S.E.U.A. rates and forms. No new representation of companies not members of the S.E.U.A. adhering to rates, rules and regulations, however, shall be made after a date decided on. All local boards will collect state association dues from their members. Local boards and state association members shall be required to cooperate in enforcing provisions of any local board constitution and by-laws. If there is a violation a local board shall have 60 days to comply with the obligations under the agreement. It is provided that no agent shall cede to or accept from a Florida agent

any business unless such an agent is a member of the state association.

Knocks Out Texas 2% Pension Tax

The third court of civil appeals in Texas has invalidated the Texas firemen's pension law of 1937. The state has announced that it will appeal to the supreme court. Under that law, there was a 2 percent tax on premiums of fire companies. It provided that the charge must be absorbed entirely by the insurance company, that it must not be taken into account in fixing the rates. The opinion pointed out that this provision is in the law "regardless of whether the carrier is thereby required to do business at a loss or at a return so low as not to yield a reasonable net profit." The appellate court reversed a decision of the Travis county district court, which had upheld the statute. The case was brought in the name of American Alliance.

The court called attention to the fact that witnesses testified the average profits of the fire companies operating in Texas from 1933-1937 was 17.02 percent while the state insurance commission had ruled that 5 percent would be a reasonable profit. The court declared it is not concerned with the reasonableness of the present insurance rates, saying it is the duty of the insurance board to fix that rate.

Payment of the 2 percent tax for pensions has been held up during the litigation.

Notice of appeal to the Texas supreme court has been given by the attorney general from the decision of the court of civil appeals. The law of 1937 levied a tax of 2 percent on fire premiums to be used as a part of a pension fund for both professional and volunteer firemen in towns having more than \$1,000 of fire fighting equipment.

Launch Oklahoma Stock Federation

OKLAHOMA CITY—At a meeting of all stock insurance interests of Oklahoma, approval was given to establishment of a federation to promote and protect stock insurance in Oklahoma. John S. Adams of McCullough & Adams, Oklahoma City, was named temporary chairman. He appointed T. Ray Phillips, state agent America Fore, to represent the Western Underwriters Association on the constitution and by-laws committee and to act as its chairman. Other members on this committee are D. F. Wright, Concordia Fire, representing W. I. B. companies; J. R. Pollard, Buffalo, non-affiliated companies; Leslie Williams, conference casualty companies; Al Smith, non-conference casualty companies; H. T. Moran, Oklahoma Association of Insurers, with Mr. Adams ex-officio member. This committee will report at the next meeting April 14. The general conference committee is composed of three representatives from each of the participating groups.

Requests for Many Texas Changes

At the hearing before the Texas Insurance Commission April 17, which is interpreted as a step in the direction of a broad fire insurance rate reduction, consideration will also be given to numerous specific filings and requests. The commission, in its notice of the hearing, lists these as requests which have been made:

Request for publication of separate schedule for farm property; revision of rules applicable to deferred premium payments; request for approval of policy with automatic renewal every three months by payment of the three months' premium.

Also: request for changes in charges and credits in present key rate schedule; also revision in rule to make half the key rate applicable to mercantile risks instead of full key rate; and that installation of fire hydrant within proper distance of a risk not previously protected be considered a change in hazard of the individual risk and permit rate adjustment.

Would Remove Tenant Charge

Request to eliminate tenant charge in dwelling schedule; request for experience credit on fireproof or semi-fireproof buildings rather than a coinsurance credit; request for change in value basis for determining premium under cotton reporting form 161-A; request for increased experience credit on municipal buildings.

Request to change requirement that watchman must be employed by owner or occupant of building to require merely that watchman remain on premises; request for basis for "Nel-Stone" construction; adoption of special form for insuring tourist camps with distribution average clause; request for rate reduction on undertaking parlors; request for elimination of charge for scourers in flour mills. Request that laundry experience credit be extended to dry cleaning and dyeing plants if rated under laundry schedule.

Request for reduction in rates in ice factories and cold storage plants; request that rates shown on page 195 be amended to conform to revised farm barn schedule for grain on the farm; request for elimination of any exposure from janitor's dwelling to church; request for reduction in rate for hospitals; request for pro rata cancellation on household goods where occupant moves to another town.

Accounts Receivable Insurance

Request for reduction in rate on risks of "Thermo Wall" type of construction; request for revision of charge for automobiles and for applying charge before credits are applied in apartment houses; request for adoption of form and rates for accounts receivable insurance; request that handle factories be rated under the agricultural implement works schedule rather than the woodworking; request for elimination of rule that stock in breweries shall rate 25 cents higher than building; request that live and dressed poultry be made subject to the mandatory 100 percent co-insurance clause; request for revision of charges on page 96 of the general basis schedules regarding dipping tanks and painting so as to eliminate dipping tank charge if painting charge is applied; consider removal of \$40,000 limit under present form 21 and permit form to be used on unlimited value.

Extend 25 percent fire record credit to all towns regardless of premium volume; make all towns eligible to good fire record regardless of premium volume; remove charge from key rate for fire department not properly maintained; request for 10 percent blanket reduction in fire insurance rates; consider adoption of rates and form for extra expense insurance.

Legislator Makes Mistake

The mistake of a member of the Texas legislature in quoting out-of-date figures to substantiate his claim that fire rates in Texas are too high, coupled with what was taken to be an implied threat of a legislative investigation if these rates were not reduced, is apparently scheduled to give the companies a lot of grief.

Two weeks ago Representative Petsch offered in the house a report of the state fire commissioner dealing with premium income and losses in Texas cities, to show the rates are too high. It now develops the figures he cited were those used by the commissioners a year ago as basis for promulgating a fire rate reduction which clipped \$2,500,000 from premium income. The fact that these figures are "stale" is not generally known and the fireworks have spread. Demand for a sweeping legislative investigation of the fire insurance situation in Texas is being heard.

Now Fire Commissioner Hall has issued a call for a public hearing April 17 on the matter of reducing the basic schedule again.

Insurance people construe a statement made by Mr. Hall in issuing the call for the hearing as meaning another slash in the basic schedule is in the offing. He declared that while all the

figures are not yet in, the trend is encouraging for another reduction in the fire rates.

Fire insurance men will try to show the board that while losses might have shown a decrease in some sections last year, other sections showed a decided increase, and that the fire loss ratios for the nation are on the upswing.

Carter's Talk Causes Retailers to Take Action

RICHMOND, VA.—As a result of a talk on the cooperative movement and its relation to stock insurance made recently by B. P. Carter, prominent Richmond general agent, at a recent convention of the Virginia Association of Retail Clothiers & Furnishers, a prominent member of the association has written to President Roosevelt stating that many of his associates in the retail field are greatly disturbed by the apparent growth of the consumer cooperative movement.

"This movement, if nourished through government channels, as I understand it now is," the letter states, "will affect seriously the retail merchant, both large and small, as well as the hundreds of thousands of employees."

Mr. Carter has made similar talks at a number of other meetings in Virginia and North Carolina. Whenever he makes talks before local boards of merchants of the community are given special invitations to hear him. He is scheduled to make a talk before the exchange of Burlington, N. C., April 11 and before the Bristol, Va., exchange April 13. He will address the annual convention of the Virginia Association of Retail Merchants at Old Point Comfort June 20.

Duffus to Talk to Virginians

Roy A. Duffus, Rochester, N. Y., will address the convention of the Virginia Association of Insurance Agents in Richmond May 25-27 on "Streamlining the Insurance Business."

Warn of S. C. Adjusters Law

NEW YORK—Adjusters have been cautioned against attempting to handle claims in South Carolina on behalf of unlicensed companies, the law of the state holding an adjuster in such event to be an agent of the company and hence amenable to the severe penalties provided in the statute in such cases.

Capture Tennessee School Line

The entire school line of Lauderdale county, Tenn., has been recovered for stock companies. This result was accomplished by means of aggressive work on the part of a number of the field men and with the cooperation of the local agents.

Can't Pay for Fire Protection

LOUISVILLE—Acting Circuit Judge Goldsmith held the fiscal court doesn't have the power to appropriate \$7,500 to pay the city of Louisville to furnish fire protection for public property in the county. The fiscal court will appeal the ruling.

South Carolina Rally May 17-18

The annual convention of the South Carolina Association of Insurance Agents is being held at the Columbia Hotel, Columbia, S. C., May 17-18. Manager Henry A. Brown predicts there will be a record turnout and a worth while program.

Field Men Honor Agency Secretary

UNION CITY, TENN.—H. R. Trickey of Nashville, president Tennessee Field Club, was host at a dinner in honor of Miss Sadie Williams, secretary for 20 years of the John T. Walker & Co. agency. Field men of companies represented in the Walker agency present included W. L. Nolen, J. W. Wad-

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Amarillo Exchange Elects

Dorsey B. Smith has been elected president of the Amarillo (Tex.) Insurance Exchange, succeeding J. M. Neely. G. G. Ordway is first vice-president; Charles Lowndes, second vice-president and J. E. Spann, secretary-treasurer.

Adjustment Bureau Shifts

The Fire Companies Adjustment Bureau has transferred H. W. Waterman from Jonesboro, Ark., to Fort Smith as branch manager, and Paul C. Howard, formerly staff adjuster at Little Rock, to Jonesboro as branch manager. H. L. Porter, staff adjuster at Houston, has been moved to Little Rock to replace Mr. Howard.

Duke, Plummer Entertain Agents

DALLAS.—About 75 Dallas local agents were guests of A. Morgan Duke, chairman of the board, and J. R. Plummer, president of the Commercial Standard of Fort Worth, at a dinner in appreciation of the gain of 35 percent in new written premiums made by the Dallas office under Manager F. L. Brackney.

NEWS BRIEFS

A Business Development zone meeting was held at McAlester, Okla., with 38 in attendance.

Dr. W. J. Kiser addressed the Wichita Insurors on "The Relation of Medicine to the Insurance Man."

B. E. Evans of the Hartnett & Evans agency, Stafford, Kan., is a candidate for election as governor of Rotary district 122 at the district assembly in McPherson April 23-25.

T. W. Kelley, manager of the insurance department of Brooks & Richardson, Richmond, Va., for nine years, has resigned to go with Julius Straus & Sons Agency, Richmond, headed by W. C. Saunders, Jr. He is succeeded with Brooks & Richardson by J. W. Kessler, former special agent Virginia Fire & Marine and more recently at its home office.

T. A. Fleming, director of conservation National Board, will speak in Louisville April 24 before the Louisville Credit Men's Association, in cooperation with the Louisville Board and other organizations.

The annual meeting of the Kentucky Association of Insurance Agents will be held at the Kentucky Hotel, Louisville, June 8-9.

J. P. Desmarais & Co. of Houston and New Orleans have been appointed general agents in southeast Texas for Phenix Underwriters of Fidelity-Phenix.

Abe S. Wolfson, an agent for Travelers in the life department in San Antonio, has opened a general insurance agency in the Milam building in that city. Mr. Wolfson will continue to represent Travelers in the same lines as heretofore in addition to his general lines.

H. R. Tomlinson, secretary Aetna Fire, spent two weeks in Texas in company with C. J. Wykoff, state agent. Secretary T. F. Buchanan is expected to visit Texas in the near future.

S. P. Rodgers, vice-president State of Pennsylvania, made an extended tour of Texas in company with State Agent L. G. Spilman, en route to the Pacific Coast.

J. W. Fisher of Blanchard, Okla., sold his agency to W. M. Acree.

Clyde Lemaster, operating as the Purcell Abstract Company at Purcell, Okla., sold his agency to Starr Cook.

L. L. Lounsbury, Enid, Okla., local agent, has been appointed superintendent of the northern Oklahoma state hospital in Enid.

Entrance of James F. Culp into the local agency of R. O. Culp & Co., Temple, Tex., makes the fifth member of the family to join the agency.

COAST

Montanans View Ohio Withdrawal with Regret

The Montana State Association of Insurance Agents in its house organ "Tags," of which the editor is Arnold Huppert of Livingston, comments upon the advisability of the action of a state association of local agents withdrawing from membership in the National association.

"There isn't any question about the fact that only by a united front can any organization hope to accomplish anything. Could individual members of the American Federation of Labor, or the C. I. O. or the American Legion accomplish what they did if they had not been banded together? The answer is obvious. The agents in Ohio of course recognize that fact because they have formed the Ohio Association of Insurance Agents. A national organization whether it be a labor organization, a fraternal or insurance organization merely strengthens the state organization. Withdrawal from the National organization merely weakens the Ohio association. After all who is the National organization? It is you and I and the individual agents from Ohio before they withdrew. If Ohio agents feel that matters pertaining to their own set-up need changing, then it would seem to us that the proper place to iron out their difficulties is at a conference with other members of the National association—always keeping in mind that the purpose of the National association is to accomplish the greatest good for the greatest number.

"Withdrawal from the National association will have two effects and both of them detrimental to the insurance fraternity. In the first place it will weaken the National association—in the second place it will also weaken the Ohio state association. In other words it's all loss and no gain.

"It is hoped that in the near future the Ohio association will reconsider its action and settle its difficulties at the next conference of the National association."

Kulp Institute Speaker

DENVER—The relation of the National Board and the Underwriters Laboratories to the fire insurance business was discussed before the Insurance Institute of Denver by Walter Kulp, manager Mountain States Inspection Bureau.

FC-AB at Colorado Springs

R. M. Hill, general manager Fire Companies Adjustment Bureau, for the Rocky Mountain department, announces the opening of a new office at Colorado Springs, in charge of George C. Alexander, resident adjuster. This is the 12th office in the mountain states under the supervision of the Denver office.

Invite California Brokers

The Insurance Brokers Exchange of San Francisco has prepared a special edition of its house organ, the "Broker," to be sent to about 5,000 brokers throughout California inviting them to San Francisco the week of June 19—especially between June 21-24, when the annual convention of the National Association of Insurance Commissioners is in session.

The evening before "Insurance Day" at the Golden Gate International Exposition, June 24, the exchange will sponsor a dinner and dance for all visitors, including the commissioners.

Sprinkler System Not Connected

Much interest has been evinced in the fire that caused about \$55,000 loss to the Jefferson High School in Portland on Feb. 16. It seems that a part of the building was remodeled and, when put into use, the sprinkler system as to that part of the structure was not connected

up with the main system and this accounts for the heavy fire loss. Had the sprinkler equipment been connected up and in working order the heavy loss would not have occurred. The exact cause of the fire has not been definitely determined although it is stated that it was not incendiary. The fire department did especially good work.

New Mexico Volume Off

Fire premiums totaled \$2,184,138 in 1938, compared to \$2,361,208 in 1937 in New Mexico, according to a report by Insurance Superintendent Biel.

NEWS BRIEFS

Robe Bird, vice-president and western manager American of Newark, Rockford, Ill., is a winter vacationist in southern California.

Secretary F. E. Potter, in charge of the loss department of the Home of New York arrived in Los Angeles Wednesday, March 29 on a business visit.

C. H. Bauer has succeeded E. T. Collins as manager of the Denver branch office of Oregon Mutual Fire. He has been with the company in Portland for a number of years.

General Underwriters, Los Angeles, has been incorporated by H. B. Estep, R. W. Walker, T. J. Thomas and R. E. Ridgeway.

EAST

N. Y. Leaders Speak at Rochester Rally

ROCHESTER, N. Y.—Wider education of the public through advertising to the value of service offered by fire and casualty agents is advocated by Roy A. Duffus, formerly president of the Underwriters Board of Rochester. He was principal speaker at a banquet ending a one-day regional conference of more than 150 agents from 16 western New York counties.

Education of the agents themselves, of the companies and of the clients was recommended by the speaker, outlined points which he claimed would "Streamline the insurance business."

Praise for the insurance record in this area came from G. H. Jamison, deputy superintendent of insurance. He announced the department is assisting in the preparation of a correspondence course for prospective agents. The state department issued more than 250,000 licenses last year, he said.

Strengthening of the present state auto accident financial responsibility law was forecast by R. M. L. Carson, Glens Falls, president of the New York State Association of Local Agents. Compulsory auto insurance will not gain approval of the state legislature, he believes.

Community surveys to analyze the insurance needs of prospective clients were urged by G. J. Cleary, Rochester agent. "Some Interesting Angles on Casualty Claim Adjustments" were detailed by M. V. B. Smith, Rochester claim attorney, and F. L. Greeno, Rochester, spoke on "The Wider Perspective in Insurance."

New England Agents' Meeting Date Is Set

BOSTON—The annual convention of the New England Associations of Insurance Agents will be held at the Mt. Washington hotel, Bretton Woods, N. H., July 6-8, it was decided by the New England Advisory Board at a meeting here.

H. D. Holmes Testimonial Dinner

H. Donald Holmes, president New Jersey Association of Underwriters, was tendered a testimonial dinner by the

Union County Association of Insurance Agents at the Suburban Golf Club, near Elizabeth. He was presented a golf bag, the gift of the association, by L. A. Watson, Schedule Rating Office of New Jersey. D. M. Pearsall, president of the association, was toastmaster. Clarke Smith, assistant manager of the general coverage and brokerage department Royal-Liverpool group, was the principal speaker.

Discuss Auto Risk Assignment

LAWRENCE, MASS.—Assignment of automobile risks by the Massachusetts department last December, without payment of commissions to agents and brokers, was discussed at a meeting of the Lawrence Board of Fire & Casualty Underwriters. W. J. Helm, Boston, general agent Royal Exchange, spoke on the value of local boards; B. M. Hermes, manager New England Fire Insurance Rating Association, described the new rating setup in New England, and E. J. Cole, Fall River, former president National Association of Insurance Agents, spoke on closer cooperation between companies and agents.

NEWS BRIEFS

H. P. Janisch, executive advisor Service Men's Protective Association, will speak on direct selling and its effect on insurance and other business before the chamber of commerce in Springfield, Mass.

Police Chief F. S. Regan of Burlington, Vt., has been appointed deputy state fire marshal.

T. F. Appleby, local agent, spoke at the banquet of the Morris County Real Estate Board in Morristown, N. J. Miss Mary E. Gougherty, secretary Insurance Women of New Jersey, took part in a play, "How to Handle Prospects in an Office."

Similar problems to yours have arisen elsewhere. You may find the help you need by representing this organization.

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Unique Pencil Mailing Tube Stimulates Good Response

A unique "check-up" direct mail campaign, being conducted by the Camden Fire, is securing good results, according to Clark W. Smithman, advertising and

production manager. Announcement of the new check-up plan portfolio was made in a mailing tube in form of a pencil with wooden plugs inserted in either end, one sharpened and tipped in black, the other stained red to resemble an eraser. Eighteen percent of Camden Fire's agents responded within one

week of the first mailing, and additional return cards are still coming in. The check-up plan, which was found profitable by agents in two previous direct mail campaigns, is based upon an analysis of the property-owners' requirements as a prelude to recommending the coverage which he should carry.

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MOTOR

American Auto Adds 2 Free Features

The Automobile Superintendents Club of Chicago at its meeting this week voted to recommend to the National Automobile Underwriters Association that the loss of use by theft provision up to \$5 a day, be included as one of the coverages under the automobile comprehensive policy without extra charge. That action was prompted by the move that has been made by American Automobile Fire. The Superintendents Club went a step further, however, and recommended that in addition, the conference companies grant \$100 insurance against fire only on personal effects in the automobile.

American Automobile of St. Louis has made quite a departure by including in its policies, without extra charge, limited drive other car coverage and so-called theft reimbursement benefits. In the past a charge of \$1 has been made for each of these endorsements.

The limited drive other car coverage protects the assured and his wife against claims arising while they are driving other cars, except other cars registered in their names or in the names of other members of their family, nor cars that they hire, nor cars that are provided by employers. It is intended to cover only the casual use of another automobile.

American Automobile has only a 30-day waiting period before the effective settlement of a theft claim. The loss of use or theft reimbursement provides up to \$5 a day for use of taxis or other transportation in lieu of the car, during the 30-day waiting period.

American Automobile informs brokers and agents that these new provisions will be regarded as applicable to existing policies, although the company will not actually issue endorsements. American Automobile has prepared a form of notice that the broker or agent can send to his assured.

"Drive Other Car" Issue Up

NEW YORK—Decision as to whether National Bureau of Casualty & Surety Underwriters companies will grant motorists the right to drive other cars without additional premium will probably be determined at a meeting of the executive committee now in session. The general impression is that the concession will be sanctioned.

Kansas Department Has New Demand

Apparently in an effort to block the alleged practice of some finance companies of capturing for themselves the return premium that should, by right, go to the car purchaser, the Kansas department has now demanded that insurance

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Cash Capital \$6,000,000.00
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companies report to that department complete details whenever a policy covering a car that is being purchased under contract, is canceled.

The department wants to know the name of the assured, address, policy number and other facts about the policy and, in addition, the number of the check that is paid to the assured in satisfaction of the return premium that is due him. This latter requirement, if enforced, will interfere with the account current system between companies and their agents. In connection with finance business, the companies must pay the return premium direct to the assured, instead of allowing it, as a credit, to the agent.

D. V. Moody was reelected president of the Elgin (Ill.) Board of Fire & Casualty Underwriters at the annual meeting. The board decided to hold its annual field day at the Elgin Country Club, June 1. Chairman of the committee is Carl Rippberger. Vice-president of the board is Ralph G. Frey; secretary, Miss Hazel Jones, and treasurer, Miss Frida Anderson.

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Exhibit at Packaging Show



This exhibit at the recent New York Packaging Exposition was designed by the manager of the policy department of the Marine Office of America. The Marine Office exhibit was intended to

show dual-use shipping and storage containers. At the left is the Woodbury Face Powder box, which won one of the awards. Proper packaging is constantly urged by marine underwriters.

MARINE

IPPFB Problem to the Outsiders

The group of non-I.M.U.A. companies that has been holding a series of meetings in Chicago has reached the definite decision that they will not join the Illinois Personal Property Floater Bureau, that has been formed under the leadership of the companies belonging to the Inland Marine Underwriters Association.

The IPPFB is taking over the rating jurisdiction of the personal property floater under the Illinois insurance code. Although the bureau was organized by I.M.U.A. companies, it is stated that it is not an I.M.U.A. enterprise. As a matter of fact, it is understood that not all of the I.M.U.A. companies that operate in Illinois, have joined the IPPFB.

Some Class 1 Agents Hostile

Some hostility to this new rating bureau has been expressed by leading class 1 agents in Chicago. The rules of the IPPFB, that become effective May 1, would prohibit the issuance of the personal property floater in Illinois on a so-called ex-fire or ex-tornado basis. At present much of the personal property floater business in Chicago is written around regular fire and tornado contracts, principally because of the commission differential. The personal property floater is in the 20 percent commission class whereas the regular fire and tornado business in Chicago is in the 35 percent class for the metropolitan supervising agent.

Some of those who are opposed to the IPPFB setup are now suggesting that this scheme be abandoned and that the Chicago Board and Illinois Inspection Bureau resume jurisdiction over the personal property floater.

At a meeting Tuesday, the non-I. M. U. A. group decided to submit to Insurance Director Palmer a proposed setup for another property floater bureau, asking that he examine it and respond with his suggestions and that at a later date a personal conference be held.

Those joining in this project are: General of Seattle, Employers Fire, Pacific National, Millers National, North-

option to enter into insurance contracts on their properties for three to five-year periods, instead of being restricted to an annual basis as at present.

Consider Competition at Parley

SAN FRANCISCO—Ways of meeting competition of the insurance writing automobile clubs were considered at a sales conference here of the field organization of the National Automobile Club in San Francisco. H. E. Manners, associate general manager, presided. The club has been a strong factor in saving a considerable volume of business for the stock companies with increasing interest on the part of the local agents in selling the membership.

Central Manufacturers Rally

Thirty branch managers and special agents of Central Manufacturers Mutual met at the home office in Van Wert, O., for their four-day meeting. Guest speakers included M. S. Marsh, Standard Oil of Ohio executive; A. T. Hapke, Crowell Publishing Company; G. H. McClure, American Underwriting Corporation, and Chas. G. Long, Reviewers Clubs Corporation.

H. A. Kern, superintendent of agencies, presided. Company plans and projects were outlined by C. M. Purmort, president, and L. G. Purmort, secretary.

O'Connor to Address Club

J. C. O'Connor, editor Fire, Casualty & Surety Bulletins and associate editor of THE NATIONAL UNDERWRITER, will discuss "Effective Selling of General Insurance" before the Insurance Club of Chicago at its evening meeting on April 4.

Following Mr. O'Connor's talk, the group will get together at a place yet to be announced for dinner and to listen to the election returns.

Millholland Joins Nolan Co.

A. L. Millholland has joined Nolan & Co., Omaha, Neb., as associate general agent. He will travel Iowa and Nebraska. For a number of years Mr. Millholland was special agent for the Home of New York in the Nebraska field.

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"Surplus to Policyholders" and "Total Liabilities" for stock companies are shown as separate items *only* in the Argus Fire Chart. "Reserves for Liability and Compensation" are separated from "Net Unpaid Claims" *only* in the Argus Casualty Surety Chart. Also in the Casualty Chart, Classification of premiums written for leading Mutual companies (as well as for all Stock companies) is shown.

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